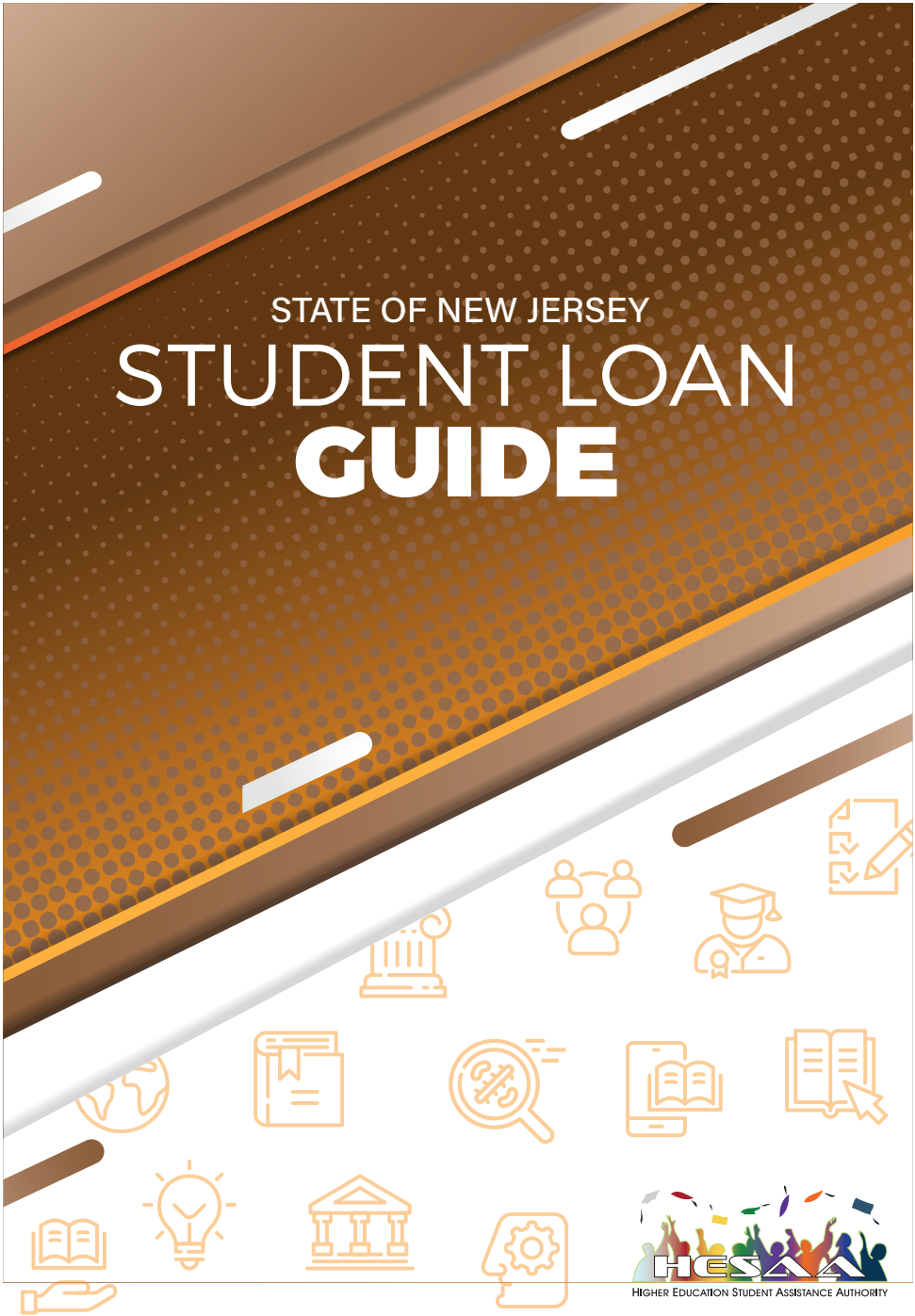
STATE OF NEW JERSEY

STUDENT LOAN GUIDE



HESAA

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

Resource Guide to State and Federal Student Loan Programs

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Student Loan Guide

Introduction

HESAA, the Higher Education Student Assistance Authority, is the only New Jersey state agency with the sole mission of providing students and families with financial and informational resources for students to pursue their education beyond high school.

This publication highlights the major State and federal student aid programs. However, student financial assistance is also available through institutions and private sources. You should work closely with your campus financial aid office regarding the availability of student aid funds. You may also contact HESAA's Customer Care Team at **609-584-4480** or visit our website at: www.hesaa.org.

Once all available financial aid has been obtained, some students may need additional funding to pay for any remaining costs. This publication provides general student loan information to assist students and families in understanding your options.

The Student Loan Guide covers federal loan programs, New Jersey's State loan program (NJCLASS), and information on other alternative private loan options.

Please keep in mind that this guide is meant to serve as a helpful reference only. Federal, State, and private programs and services are always subject to change. As such, HESAA cannot guarantee all information is up to date at the time you are reading this, especially if it is a printed version of the publication. For the most up-to-date information available, please contact or visit the website of the agency or organization that provides the program, service, or product you are interested in.

Free Application for Federal Student Aid (FAFSA)

The first step in the financial aid process is completion of the FAFSA. Students can visit www.fafsa.gov or www.studentaid.gov to complete their applications. The information on your FAFSA is transmitted to the schools that you list on the application and the State of New Jersey. Information on the FAFSA assists the federal government, the colleges, and the State in determining your eligibility for college grants, State grants, and federal financial aid.

Grants & Scholarships

You should first explore all of your options for free money. Many students use State, federal, and college grants and scholarships to help pay for their education. Neither grants nor scholarships have to be repaid. Because the FAFSA is used to determine eligibility for many grants and scholarships, it is important that you complete your application as soon as possible. Make sure to meet applicable State financial aid deadlines. It is also important to investigate private scholarships or community scholarships that might be available to you.

Institutional Financial Aid

The term “Institutional Financial Aid” refers to any scholarship or grant awarded by the university or college’s own restricted or unrestricted funding source(s). Institutional-based financial assistance programs offered and controlled by the individual colleges, such as alumni scholarships and endowments from private donors, are referred to as institutional aid. Students should explore all opportunities available to them.

NJBEST College Savings Plans



HESAA offers a State-sponsored 529 college savings plan to help families meet the cost of college. Saving with **NJBEST (New Jersey Better Educational Savings Trust)** offers many benefits, including State and federal tax-free earnings, and a potential scholarship of up to $6,000 for students who qualify and who attend a school in New Jersey. Visit www.njbest.com for more information.

Tuition Payment Plans

Check with your school to see if it participates in a tuition payment plan that will allow you to make monthly payments to the college over the school year.

Additional Sources of Aid

Other sources of aid to assist with college costs include:

- Personal savings
- Community and corporate grants and scholarships
- Service programs such as AmeriCorps, a domestic Peace Corps
- Employer-sponsored tuition assistance programs

The Award Package

Generally, each school you apply to will provide you with an award package that contains information about the financial aid awarded to you. The award package may contain federal, State, and institutional grants and scholarships, and other types of aid to help you meet the costs of going to college or career school. Federal student loans, known as Direct loans, are usually included as part of the financial aid package process.

Paying for College When Loans are the Only Remaining Option

Student loans can help you achieve your educational goals, but HESAA encourages you to borrow responsibly and requires all financial aid options, including grants, scholarships, and federal student loans, to be exhausted before applying for any private loan, including HESAA's NJCLASS fixed-rate loan.

Federal Direct Student Loans

The Direct Loan program makes highly affordable federal loans available to students. Students do not have to pass a credit check, and interest on federal loans is fixed. Repayment begins six months after leaving school and there are never any prepayment penalties. These loans can either be subsidized or unsubsidized. For any loan disbursement on or after July 1, 2026 and before July 1, 2027, the interest rate is 6.52% for undergraduates and 8.07% for graduate/professional students. A 1.057% origination fee is deducted from each disbursement. Note: As of July 1, 2026, students who did not previously borrow at least one graduate/professional direct loan are subject to borrowing limits. (Students who borrowed a graduate/professional direct loan prior to July 1, 2026 are not subject to a borrowing limit.) New borrowers in a program classified as 'professional' have an annual limit of $50,000 and a lifetime borrowing limit of $200,000. All other new borrowers in graduate programs have an annual limit of $20,500 and a lifetime borrowing limit of $100,000. To apply, check your college's financial aid website or go to www.studentaid.gov.

Subsidized: For students with demonstrated financial need, as determined by federal regulations. Interest is paid by the federal government while a student is in school at least half time, during the six month grace period, and during deferment periods (a period during which a borrower, who meets certain criteria, may temporarily suspend loan payments).

Unsubsidized: Not based on financial need; interest is charged during all periods – while the student is in school and during grace and deferment periods.

Your school will tell you how much you may borrow and the amount of federal loans you are eligible to receive. There are loan limits based upon your year of attendance and aggregate limits also apply. For dependent undergraduate students, the annual loan limits are as follows:

Dependent Undergraduates	Maximum Amount of Subsidized Loans	Maximum Amount of Subsidized and Unsubsidized Loans Combined
First Year	$3,500	$5,500
Second Year	$4,500	$6,500
Third Year and Beyond	$5,500	$7,500

The school's financial aid office will provide you with instructions and guidance about applying for federal student loans. Some schools may want you to apply through their own website and some schools may direct you to the U. S. Department of Education's website.

All Federal Direct Student Loans require first-time student borrowers to complete entrance counseling so that you understand the obligations associated with federal student loans.

Once you have completed the entrance counseling, you will be required to complete a Master Promissory Note (MPN). The MPN contains all the legal terms and conditions associated with the federal student loan and is the legal document that obligates you to repay your student loans. The MPN allows for multiple year borrowing. If you change schools, you may be required to complete a new MPN.

Check with your college to find out how to complete your student loan entrance counseling session or go to www.mappingyourfuture.org for more information.
With Direct Loans, you:

- Borrow through the school from the federal government and have a single contact, a Direct Loan Servicing Center, for everything related to the repayment of your loans, even if you receive Direct Loans at different schools.
- Have online access to your Direct Loan account information 24 hours a day, 7 days a week at: studentaid.gov/h/manage-loans.
- Can choose from several repayment plans that are designed to meet the needs of almost any borrower, and you can switch repayment plans if your needs change.

Remember: Understand Your Obligation

You must repay your student loans—even if you do not graduate or get a job in your chosen field. Failure to make scheduled payments could lead to default which would damage your credit rating and lead to other serious consequences.

Before you borrow a student loan, think about whether you will be able to repay it. This loan will reduce what you can spend in the future on a car, home, furniture and other living expenses. Here are some things you can do while you are in college to help save money:

- Identify needs versus wants and make your purchases accordingly.
- Make a realistic budget and stick to it.
- Take advantage of work-study opportunities or get a part-time job.

Repay: Uphold Your Promise

Repaying your student loans is a serious legal obligation, so you need to set aside enough money to make your student loan payment on time and in full each month. Your lender will depend on you to uphold your promise to repay so that they can make loans to other deserving students. By paying your student loan on time, you will be acting as a responsible borrower. You will also be successfully managing your finances and establishing good credit.

Some loans offer a **grace period** when you graduate, leave school or drop below half-time status. During the grace period, you are not required to make

monthly payments. In most instances this will increase the amount that you will eventually repay as interest charges are increasing on your loan(s), so check with your lender. At the end of your grace period, you must begin making monthly payments.

Contact your lender if you are unable to make your monthly payments. You may qualify for other repayment options, or be able to postpone or reduce your payments by applying for a **deferment** or **forbearance**. These should be used only in times of extreme need and will increase the amount that is eventually repaid on your loan.

Exit Counseling

Federal regulations require federal student loan borrowers to complete exit counseling before they leave school (graduate, withdraw, or drop below half-time status). This requirement ensures that borrowers will receive essential information regarding their rights and responsibilities as a student loan borrower. Borrowers will receive information about the types of loans received, when and where to make payments, what to do if payments cannot be made, and what can happen if payments are not made.

In many cases, when a borrower fails to complete exit counseling a hold will be placed on the borrower's records. Borrowers will not be able to re-enroll in classes, or obtain other college/university services and documents including, but not limited to, a borrower's transcripts or diploma until it's completed.

Federal Repayment Plans

Student borrowers are not required to begin making payments on their Federal Direct loans until after they drop below half-time attendance. Following graduation, withdrawal, or less than half-time enrollment, borrowers are provided a six-month grace period on Federal Direct Stafford loans and a nine-month grace period on Federal Perkins Loan.

The repayment period for a Direct PLUS Loan begins at the time the PLUS loan is fully disbursed, and the first payment is due within 60 days after the final disbursement. However, a graduate student PLUS Loan borrower (as well as a parent PLUS borrower who is also a student) can defer repayment while the borrower is enrolled at least half-time, and, for PLUS loans first disbursed on or after July 1, 2008, for an additional six months after the borrower is no longer enrolled at least half-time. Interest that accrues during these periods will be

capitalized if not paid by the borrower during the deferment.
Parent PLUS Loan borrowers whose loans were first disbursed on or after July 1, 2008 may choose to have repayment deferred while the student for whom the parent borrowed is enrolled at least half-time and for an additional six months after that student is no longer enrolled at least half-time. Interest that accrues during these periods will be capitalized if not paid by the parent during the deferment.

Not all borrowers may be eligible for all repayment plans. Some plans are limited and based upon the type of loan and when the loan was obtained. Go to studentaid.gov/manage-loans/repayment/plans for more information.

Standard Repayment

With the standard plan, borrowers pay a fixed amount each month until loans are paid in full. Monthly payments will be at least $50, and borrowers have up to 10 years to repay.

The standard plan is good if the borrower can handle higher monthly payments because they will repay their loans more quickly. Monthly payment under the standard plan may be higher than it would be under the other plans because loans will be repaid in the shortest time. For the same reason, borrowers may pay the least amount of interest due to the 10-year limit on repayment.

Repayment Assistance Plan

For students who borrow federal student loans on or after July 1, 2026, the federal Repayment Assistance Plan (RAP) is the other repayment plan option available. RAP determines the amount a borrower will repay each month based on their adjusted gross income (AGI) minus the number of dependents they have, with the minimum monthly payment being $10.

Under RAP, any interest not covered by the borrower's monthly payment will be waived. RAP will also reduce borrowers' principal by up to $50 if the payment does not do so. Cancelation is then available after 30 years of qualifying payments. The following chart shows the monthly payment options:

Income range	% of income used to calculate monthly bill	Monthly bill range before subtracting $50 per dependent (with $10 minimum payment after deductions)
Less than $10,000	NA	$10
$10,000-$20,000	1%	$10-$16
$20,000-$30,000	2%	$33-$50
$30,000-$40,000	3%	$75-$100
$40,000-$50,000	4%	$133-$166
$50,000-$60,000	5%	$208-$250
$60,000-$70,000	6%	$300-$350
$70,000-$80,000	7%	$408-$466
$80,000-$90,000	8%	$533-$600
$90,000-$100,000	9%	$675-$750
Greater than $100,000	10%	$833+

Repayment Options for Loans Borrowed Prior to July 1, 2026

Students who borrowed federal loans prior to July 1, 2026 can continue to access three repayment plans:

- The **10-Year Standard Plan** (as previously described);
- The 1**0-Year Graduated Repayment Plan**, which starts payments low and increases them every two years for up to 10 years for borrowers who expect their income to steadily increase over time. Monthly payments are never less than the amount of interest that accrues between payments, and no single payment will be more than 3 times greater than any other payment; or
- The **25-Year Extended Plan**, which is for borrowers with more than $30,000 in direct loan debt who did not have an outstanding balance on a direct loan as of October 7, 1988. Under the plan, borrowers have the option to make fixed payment amounts each month or graduated payments that start low and increase every 2 years. The total repayment period is 25 years, so borrowers have lower monthly payments but may end up paying more interest over time than the 10-year repayment plans.

Other income-driven repayment plans, including the Pay As You Earn (PAYE), Income-Contingent Repayment (ICR), and Income-Based Repayment (IBR), will also remain available to pre-July 1, 2026 borrowers for now.

- **PAYE** offers income-based monthly repayments to borrowers who borrowed loans between October 2008 and July 1, 2026. Payments are capped at 10% of discretionary income. Forgiveness is available after 20 years of repayments and the forgiven amount is taxed as income.
- **ICR** is a repayment plan that calculates monthly payments each year over the course of 25 years based on the borrower's adjusted gross income (including a spouse's income), family size, and total direct loan amount. Borrowers either pay the amount they would repay if they repaid the loan over 12 years x an income percentage factor based on their annual income or 20% of their monthly discretionary income, whichever is lower. If payments are not large enough to cover the interest that has accumulated on the loans, the unpaid amount will be capitalized once each year (in an amount not to exceed 10% of the original amount owed when the loan entered repayment). Interest continues to accumulate but is no longer capitalized. The unpaid portion of the loans after 25 years are discharged and may be subject to taxation.
- **IBR** requires monthly payments based on the borrower's income during any period when they have a partial financial hardship. Monthly payments may be adjusted annually based on their income. If the borrower meets certain requirements over a specified period of time, they may qualify for cancelation of any outstanding balance on loans.

IMPORTANT NOTE: PAYE and ICR will no longer be available to any borrowers after July 1, 2028. This means borrowers on the PAYE and ICR plans need to switch to IBR or RAP by July 1, 2028, or their loan servicer will automatically enroll them in one of those plans. The Saving on a Valuable Education (SAVE) Plan that replaced the previous Revised Pay As You Earn (REPAYE) Plan is coming to an end in 2026. Borrowers in the SAVE Plan have 90 days from July 1, 2026 to enroll in a different plan or be automatically enrolled in either the Standard Repayment Plan or RAP.

To learn more about which federal repayment plan(s) are available to you and compare options, visit studentaid.gov/manage-loans/repayment/plans.

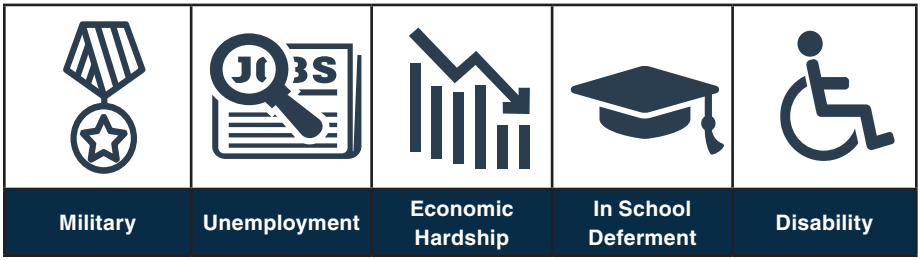
Federal Deferment & Forbearance

During repayment, borrowers may encounter some unforeseen financial situations that make it difficult to repay student loans. It's very important during these times that borrowers don't ignore the payment. Borrowers must still honor

their obligation and there are options available to help ease financial burden. These two options are known as Deferment and Forbearance.

Deferment is a period of time during which no payments are required and interest does not accrue on Subsidized Direct Loans. In the case of Unsubsidized Direct Loans, interest must be paid during a deferment period, or the interest is capitalized.

Deferment Types:



Forbearance is a temporary postponement or reduction of payments due to financial hardship. During this time, interest still accrues and can either be paid monthly or added back into the balance of the loan.

For more detailed information about deferments and forbearance see your servicer's website or go to studentaid.gov/manage-loans/lower-payments/get-temporary-relief

Common Concerns

Not knowing what type of loan a borrower has, or who services their loan, is a very common concern for borrowers. In response to these common questions, the United States Department of Education provides the National Student Loan Data System (NSLDS) at studentaid.gov/manage-loans/repayment/servicers, as the central database for federal student aid. Borrowers will need their Federal Student Aid PIN to access the database. For more information on StudentAid.gov Account (which used to be called an FSA ID), visit studentaid.gov/fsa-id/create-account/launch. Payment issues are another concern to borrowers, especially when a payment is not made or a borrower is only able to make a partial payment. If you encounter payment issues, Don't Ignore the Problem.

Borrowers can:

- Contact your lender immediately to discuss options.
- Consider changing your repayment plan if the current one is not favorable.
- Keep track of all communications.

Under certain circumstances, borrowers may qualify to have all or a portion of their loans forgiven by the federal govenrment. To qualify, borrowers must perform volunteer work, perform military service, teach or practice medicine in certain types of communities, or meet other criteria specified by the forgiveness program. To learn more about loan forgiveness programs, visit: studentaid.gov/manage-loans/forgiveness-cancellation. Federal Perkins loan borrowers and/or Federal Direct loan borrowers may be eligible for partial loan forgiveness or loan redemption.

Teacher Loan Forgiveness

The Teacher Loan Forgiveness Program is intended to encourage individuals to enter and continue in the teaching profession. Under this program, individuals who teach full-time for five consecutive, complete academic years in certain elementary and secondary schools that serve low-income families and meet other qualifications may be eligible for forgiveness of up to a combined total of $17,500 in principal and interest on their FFEL and/or Direct Loan program loans. (Note: As of August 14, 2008, an otherwise eligible borrower may qualify for forgiveness if the borrower has provided qualifying teaching services at one or more locations that are operated by an educational service agency.)

Public Service Loan Forgiveness

The Public Service Loan Forgiveness Program was created to encourage individuals to enter and continue to work full time in public service jobs. Under this program, borrowers may qualify for forgiveness of the remaining balance due on eligible federal student loans after they have made 120 payments on loans under certain repayment plans while employed full time by certain public service employers.

Only non-defaulted loans made under the William D. Ford Direct Loan Program are eligible for loan forgiveness. The Direct Loan Program includes the following types of loans:

- Federal Direct Subsidized Loans
- Federal Direct Unsubsidized Loans
- Federal Direct PLUS Loans for parents and graduate or professional students
- Federal Direct Consolidation Loans

Loan Consolidation

A Federal Consolidation Loan allows borrowers to combine all the **federal** student loans received to finance college education into a single loan. This program does not allow for alternative or supplemental private loan consolidation.

How Direct Student Loan Consolidation Works

Direct loan consolidation is facilitated through the United States Department of Education. Essentially, borrowers provide the account information for each of your federal student loans and they are all pooled together. The interest rate on a Federal Direct Consolidation loan is fixed and is based on the weighted average of your loans rounded up to the nearest one-eighth% and capped at 8.25%.

Direct Loan Consolidation Payment Relief

One of the key benefits of consolidating federal student loans is payment relief. By combining all loans into one consolidated loan, it can lengthen your repayment term from the standard 10 years to up to 30 years (lowering your monthly payments), depending on the amount of student loans.

Defaulting on a Loan

Default means the borrower failed to make payments on their student loan according to the terms of their promissory note, the binding legal document signed at the time the borrower took out the loan. In other words, they failed to make loan payments as scheduled. The school, the financial institution that made or owns the loan, the loan guarantor, and the federal government can all take action to recover the money owed. Here are some consequences of default.

Consequences of Default

- National credit bureaus can be notified of default, which will harm borrowers' credit ratings, making it hard to buy a car or a house.
- Borrowers will be ineligible for additional federal student aid if they decide to return to school.

- Loan payments can be deducted from borrowers' paychecks.
- State and federal income tax refunds can be withheld and applied toward the amount owed.
- Borrowers will have to pay late fees and collection costs on top of what is already owed and can be sued.

Obviously, borrowers don't want to let loans go into default. However, should this happen, borrowers should find out what options are available by contacting their loan servicer.

Loan Rehabilitation

One option for getting your federal loan out of default is loan rehabilitation. To start the loan rehabilitation process, you must contact your loan holder. If you're not sure who your loan holder is, you can login at studentaid.gov/manage-loans/default/get-out to get your loan holder's contact information.

To rehabilitate a defaulted Direct Loan or FFEL Program loan, you must

- agree in writing to make nine voluntary, reasonable, and affordable monthly payments (as determined by your loan holder) within 20 days of the due date, and
- make all nine payments during a period of 10 consecutive months.

Federal Direct PLUS Loan

Parents of dependent students may apply for a Direct PLUS Loan to help pay their child's education expenses as long as certain eligibility requirements are met. Eligible parents may borrow up to $20,000 per year for a maximum of $65,000 per degree under this program. The parent borrower must be the student's biological or adoptive parent. In some cases, the student's step-parent may be eligible.

The interest rate for the 2026-27 academic year is fixed at 9.07%. Interest is charged from the date of the first disbursement until the loan is paid in full. The parent will pay a fee of 4.288% of the loan amount, deducted proportionately each time a loan disbursement is made.

Private Alternative Loans

Private loans can provide supplemental funding when other free aid and federal loans does not cover costs. These loans are credit based, offered by banks,

other financial institutions, and schools. A cosigner may generally be required for this type of loan. Be sure to apply at least 30 days prior to the tuition bill deadline to ensure adequate time for approval and processing timelines as required by the Truth In Lending Act. Examples of private loan lenders are:

- State-sponsored lender New Jersey Higher Education Student Assistance Authority (HESAA)
- Non-Profit banks or lenders
- For-Profit banks or lenders

Fixed Interest vs. Variable/Adjustable Interest Rates

Fixed interest rate student loans offer the student the opportunity to lock into a certain interest rate until the end of the loan, except if the borrower chooses to refinance the loan. This interest rate won't change and will not fluctuate based on the activity of the market. If interest rates increase, then you won't have to make higher payments. If rates fall, your loan won't be affected and your monthly payments will remain the same.

A lot of student borrowers believe that a fixed interest rate allows them to affix a number within their monthly budget without any surprises when it comes time to make their student loan payment. In the event a borrower is facing financial difficulties, a fixed-interest rate student loan could make the difference in whether they are able to pay the student loan, in addition to other expenses, in order to achieve their financial goals.

Variable interest rate student loans are constantly adjusted according to the interest rates that are applicable in the current interest marketplace. These rates directly depend on the activity of the financial sector. Simply explained, when the rate in the economy goes down, a lower interest rate is charged on the student loan. But this process works both ways; when the rate in the economy goes up, a higher interest rate is charged on the student loan, which signifies that the monthly required payment will increase. If you are considering a variable rate loan, understand that rate changes may not be in the borrower's favor and could result in an increased monthly payment. When choosing a variable interest rate student loan, read all the fine print to see how often the rate is adjusted. Keep in mind that the monthly payments will be higher as a consequence of an increase in the interest rate. Although lenders do their best to keep the payments around the same amount per month, increases in the Rate

Index may leave them no option but to raise the amount of the monthly payment. The choice between a fixed or variable interest rate is a personal one and borrowers need to look at their current financial situation as well as what their future financial goals are and choose which option is best for them.

Private Student Loans

Private student loans are consumer loans made to individuals to help pay for college. They are provided by for-profit and nonprofit lending organizations and are not backed by the federal government. Private student loans are designed to supplement, not replace, other financial aid sources to fill funding gaps. Only borrow what is needed to cover the college or university educational expenses. Work with the financial aid office at your school to look into sources of federal, state and/or school aid prior to getting a private student loan. If you have already done this and are still unable to cover your expenses, a private student loan may be a good option. Some private student loans require a cosigner (a person who promises to become legally responsible to pay your debt if you fail to do so). Generally, they are less expensive than unsecured consumer credit (such as credit cards). If a private student loan is required, do not wait until a tuition bill is due to apply for one because it may result in less favorable terms and conditions.

Some programs allow borrowers to delay payments during school and offer hardship deferments during repayment. These options often increase the total amount paid, because interest charges will accrue during deferment periods. Read all material provided by the lender, and ask about things you don't understand. Most private student loans are made by responsible lenders—and all are regulated by consumer credit laws. Get to know the lender prior to borrowing because the relationship with them will be a long-term one. Visit the Better Business Bureau at www.bbb.org, ask your financial aid officer, and talk to others who have worked with the lender to make an informed decision.

State of New Jersey Standard NJCLASS Student Loan Program

NJCLASS is an affordable supplemental student loan program and is an alternative to the Federal Parent PLUS loan. The Standard NJCLASS Loan is available to New Jersey residents attending an approved school (in or out-of-state) and out-of-state residents enrolled in an approved NJ-based school. New Jersey requires that you file the FAFSA first to receive any State, federal, and institutional aid. Be sure to apply at least 30 days prior to your tuition bill deadline to ensure adequate time for approval and processing timelines as required by the Truth In Lending Act. NJCLASS may be used for school-related expenses including tuition and fees, books, supplies, and room & board.

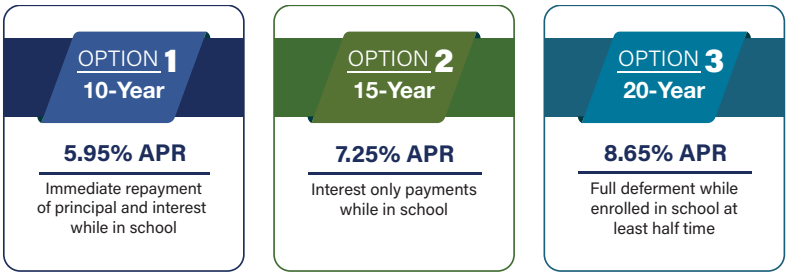
Standard NJCLASS Loan Features:

- Available to both undergraduate and graduate students
- Choice of repayment options and no prepayment penalties
- The student can be a party to the loan
- Borrow only the amount you need for college after all your eligible grants and federal loans are considered
- Typically offers a lower Annual Percentage Rate (APR) than the Federal Parent PLUS Loan*

** See page 36 for a comparison of NJCLASS and Federal Parent PLUS loans and visit www.njclass.org for more information on full terms and conditions. All loan options are limited and subject to availability.*

Note: For student beneficiaries first applying for an NJCLASS loan on or after June 4, 2026, the total NJCLASS loans borrowed for each student may not exceed $201,030. 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.

Academic Year 2026-27 Rate Options



*Additional .25% interest rate reduction with an automatic recurring monthly repayment plan of principal and interest. Subject to the availability of funds. www.njclass.org

NJCLASS Repayment Information

- Deferments are available[1]
- The minimum monthly loan repayment is $50
- No prepayment penalty
- Principal interest repayment starts 30 days after leaving school for borrowers who deferred payments while in school or who made interest only payments while in school.

[1] PLEASE NOTE: Deferment must be authorized by submitting documentation to HESAA that establishes eligibility. See www.njclass.org *for appropriate "Relief Options", forms, and instructions.*

Affordable Repayment Options

HESAA offers the Repayment Assistance Program (RAP) and Household Income Affordable Repayment Plan (HIARP) to assist families facing financial hardship. The programs provide reduced monthly payment amounts, and with respect to HIARP, extended time to repay loans. Details, eligibility, and application information are listed online at: www.hesaa.org/Pages/RAPandHIARPInfo.aspx

RAP
Repayment Assistance Program

HIARP
Household Income Affordable Repayment Plan

	NJCLASS Fixed Rate Loan Program Repayment Option Examples		
Know Your Loan Options If you have to borrow for your education, be sure you have the information to make an informed decision. Student must take eligible federal loans first	**10-Year Term** **Immediate Repayment*** Fully repay your loan within 10 years. Begin making payments of principal and interest within 60 days of disbursement.	**15-Year Term Monthly** **Interest Only*** **Repayment** Make monthly payments of interest only while in school.	**20-Year Term** **Full Deferment*** While in School Begin making payments of principal and interest after no longer enrolled at least half-time.
Loan Amount Borrowed	$16,000.00	$16,000.00	$16,000.00
Interest Rate APR	5.95%	7.25%	8.65%
Repayment Period	10 Yrs	15 Yrs	20 Yrs
Monthly Payment while in school	$178.32	$96.72	0.00
Monthly Payment after school	$178.32	$176.25	$216.26
Total Cost to Borrower (Total Interest)	$5,288.82	$12,011.89	$25,393.63
Amount I can save by making payments while in school compared to the 20 Year Fixed Rate Deferred Option	$21,288.82	$28,011.89	$41,393.63

NJCLASS Administration Fee:

These estimated payment amounts are based upon a single loan disbursement based on the date you indicate the funds will be required. The estimated payment amounts reflected here may vary from the repayment information later disclosed due to changes in the approved loan amount, actual disbursement amounts and dates, and graduation date.

Facts to Consider:

*** Interest accrues from the date of disbursement. Interest that is not paid is capitalized (added to your loan balance) annually. That means interest will accrue on that higher principal balance in the following year(s). This will increase your monthly payments and the total amount you have to repay.**

ReFi+

Borrowers can potentially save thousands of dollars by lowering their interest rates and avoiding origination fees when they refinance their student loans through the NJCLASS ReFi+ program. This program can move borrowers closer to being debt-free by refinancing their debt into a single, more manageable monthly payment. Eligible loans include federal Parent PLUS loans, school-certified private educational loans, and NJCLASS loans. Fixed rates for Academic Year 2026-2027 are 6.45% APR for a 10-year loan or 7.45% for a 15-year loan. Learn more at www.hesaa.org/pages/refi+info.aspx.

NJCLASS Consolidation Loan

The NJCLASS Consolidation Loan is designed to assist borrowers with higher NJCLASS debt balances by providing a longer repayment term and lower monthly payments. A consolidation loan may help make payments more manageable for some borrowers by combining several NJCLASS loans into one loan with one monthly payment.

	ReFi+ Loan	NJCLASS Consolidation Loan
Loans Included	NJCLASS, Federal Parent PLUS, School-Certified Private Education Loans	NJCLASS
Repayment Term	10 or 15 Year	25 years for balances between $30,000 and $60,000 30 years for balances of $60,000 or more
Interest Rate	10-Year: 6.45% 15-Year: 7.45%	Weighted average of underlying loans minus 0.50%

Tips on Applying for a Loan

1. **Exhaust all other sources of funding before looking for a private (last resort) loan.** Complete the FAFSA. Be sure to pursue scholarships, federal grants, work-study, and federal or State loan programs before applying for a private loan. Some State loans require you to exhaust all eligible federal aid first. Why? Federal loans typically carry lower fixed interest rates and often offer more flexible repayment options.

2. **Find a cosigner.** Identify a creditworthy cosigner such as a parent, who is willing to undertake the responsibility to increase the probability of having your loan approved. Some lenders require a cosigner while others indicate that over 90% of their loans have a cosigner on the application. Without a cosigner, a private loan will be extremely difficult to obtain and even if the borrower is approved, many lenders charge higher interest rates without a credit-worthy cosigner.

3. **Evaluate the alternatives.** Review your school's list of preferred lenders (if available). Be aware that obtaining a private loan requires a credit approval and certain lenders may restrict their lending activities to certain types of institutions or regional areas. Check the eligibility with lenders before applying.

4. **States have supplemental loan programs you may want to consider.** New Jersey offers supplemental loans to New Jersey residents attending an approved school (in or out-of-state) and out-of-state residents enrolled in an approved NJ-based school. Be sure to evaluate the program for other States on each state's website for eligibility, interest rates, and loan terms. Compare the state's program with other alternatives. Be aware that many of these programs have limited funds available, so be sure to apply early.

5. **Consider local credit unions.** With conservative financial management, credit unions have largely avoided the past problems that afflicted the U.S. banking system. If the borrower is a member of a credit union or belongs to an affinity group that would qualify them for membership in a credit union, check out their private student loan offerings.

6. **Understand the interest rate.** Interest rates are different. There are fixed-rate loans that are the same for the entire term and variable-rate loans that adjusts on a quarterly basis. Many private student loans consist of an

Index (LIBOR or Prime Rate) and a Margin (e.g. +5%). To determine the starting interest rate of the loan, determine the lender's current Index and add the Margin. Be aware that almost all private loans are variable rate loans, which means that rates are adjusted monthly or quarterly and will go UP over the life of the loan. Historically, expect the average interest rate on a private loan may be 2–3% higher than the starting interest rate.

7. **Select the best repayment option for your financial situation:**
   - Want to save thousands of dollars in loan costs? Make interest payments while in school. To make interest payments, notify the lender that you would like to receive statements while in school.

   - Can't make payments while in school? Be sure the lender (not all do) offers an in-school deferment option, which will allow borrowers to postpone payments until after graduation. There may be a higher interest rate charged for this deferment.

   - Want to have the lowest monthly payment? Know the standard loan term offered by the lender. The longer the term, the lower the monthly payment but the more interest will accrue over the life of the loan. Remember, despite having standard terms of 15-20 years, borrowers always have the option to pay off their loan sooner.

8. **All private loans NEED TO BE PAID BACK.** Like federal student loans, private loans may not be dischargeable in bankruptcy so be sure to borrow responsibly and not beyond what you can reasonably expect to pay back.

9. **Read the Promissory Note.** Inside the loan document there may be a clause that allows a lender to raise your interest rate by 2-3% if the borrower is late on one payment.

10. **Having second thoughts…you can always cancel the loan if you move quickly enough!** Review the Promissory Note closely to determine the loan cancellation requirements, in terms of the timing and the steps necessary to cancel a loan.

Top 10 Tips Information adapted from: Student Lending Analytics: SLA Guide to Private (or Alternative) Loan

How to Determine Your Estimated Monthly Payment

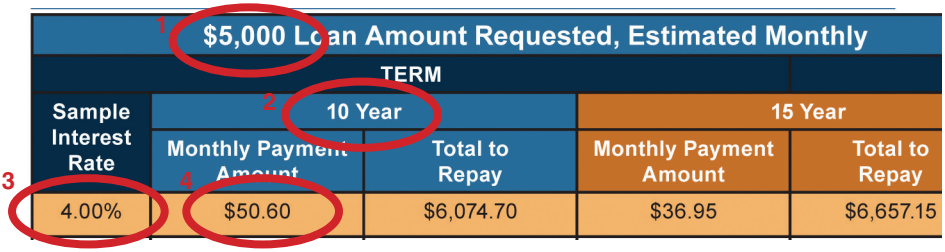
The following pages are designed to help you estimate how much a monthly payment might be before you take out a loan. There are really three determining factors: **amount borrowed**, **terms of the loan,** and **the interest rate**.

Amount Borrowed[1]: Based on how much is needed, locate the loan amount at the top of the chart. Based on the total loan amount, refer to the corresponding pages: $5,000 (pages 26 and 27), $10,000 (pages 28 and 29), $20,000 (pages 30 and 31), $25,000 (pages 32 and 33), and for $30,000 (pages 34 and 35).

Terms of the Loan[2]: How many years will you have to repay the loan? For example, will you opt to pay back your loan over 20 years? Maybe you plan to make larger payments and pay off the loan within 5 years? Various terms are listed on each page.

Interest Rate[3]: The interest rate is what you agree to before signing a loan. Once you know your rate, locate it on the page where your loan amount and term are located.

Payment[4]: Where all three loan factors intersect, you will see your estimated monthly payment.



$5,000 Loan Amount Requested, Estimated Monthly				
	TERM			
Sample Interest Rate	10 Year		15 Year	
	Monthly Payment Amount	Total to Repay	Monthly Payment Amount	Total to Repay
4.00%	$50.60	$6,074.70	$36.95	$6,657.15
4.50%	$51.80	$6,218.30	$38.20	$6,884.90
5.00%	$53.04	$6,364.01	$39.50	$7,117.10
5.50%	$54.25	$6,511.60	$40.90	$7,353.75
6.00%	$55.50	$6,661.25	$42.20	$7,594.70
6.50%	$56.79	$6,820.47	$43.60	$7,839.95
7.00%	$58.05	$6,966.50	$44.95	$8,089.45
7.50%	$59.34	$7,103.22	$46.35	$8,343.10
8.00%	$60.65	$7,279.65	$47.75	$8,600.55
8.50%	$62.05	$7,439.17	$49.15	$8,858.75
9.00%	$63.35	$7,600.55	$50.55	$9,116.95
9.50%	$64.68	$7,765.20	$51.95	$9,375.15
10.00%	$66.00	$7,929.60	$53.35	$9,633.35
10.50%	$67.45	$8,096.10	$54.75	$9,891.55
11.00%	$69.02	$8,264.35	$56.15	$10,149.75
11.50%	$70.61	$8,432.95	$57.55	$10,407.95
12.00%	$71.67	$8,609.23	$58.95	$10,666.15
12.50%	$72.86	$8,783.55	$60.35	$10,924.35
13.00%	$74.30	$8,944.20	$61.75	$11,182.55
13.50%	$76.10	$9,063.84	$63.15	$11,440.75
14.00%	$77.90	$9,183.48	$64.55	$11,698.95
14.50%	$79.70	$9,303.12	$65.95	$11,957.15
15.00%	$81.50	$9,422.76	$67.35	$12,215.35
15.50%	$83.30	$9,542.40	$68.75	$12,473.55
16.00%	$83.75	$10,050.80	$70.15	$12,731.75
16.50%	$85.30	$10,238.55	$71.55	$12,989.95
17.00%	$86.85	$10,427.85	$72.95	$13,248.15
17.50%	$88.50	$10,618.75	$74.35	$13,506.35

Payment Amount & Total Balance to Repay			
TERM			
20 Year		30 Year	
Monthly Payment Amount	Total to Repay	Monthly Payment Amount	Total to Repay
$30.30	$7,272.00	$23.85	$8,593.42
$31.65	$7,596.00	$25.30	$9,120.30
$33.00	$7,920.00	$26.80	$9,662.75
$34.40	$8,256.00	$28.40	$10,220.20
$35.80	$8,592.00	$30.00	$10,791.90
$37.30	$8,952.00	$31.65	$11,377.20
$38.75	$9,300.00	$33.25	$11,975.45
$40.30	$9,672.00	$34.95	$12,585.85
$41.80	$10,032.00	$36.70	$13,207.10
$43.40	$10,416.00	$38.50	$13,830.50
$45.00	$10,800.00	$40.30	$14,453.90
$46.60	$11,184.00	$42.10	$15,077.30
$48.25	$11,580.00	$43.90	$15,700.70
$53.30	$12,792.00	$45.70	$16,324.10
$51.60	$12,384.00	$47.50	$16,947.50
$53.30	$12,792.00	$49.30	$17,570.90
$55.05	$13,212.00	$51.10	$18,194.30
$56.80	$13,632.00	$52.90	$18,817.70
$58.60	$14,064.00	$54.70	$19,441.10
$60.35	$14,484.00	$56.50	$20,064.50
$62.20	$14,928.00	$58.30	$20,687.90
$64.00	$15,360.00	$60.10	$21,311.30
$65.85	$15,804.00	$61.90	$21,934.70
$67.70	$16,248.00	$63.70	$22,558.10
$69.55	$16,692.00	$65.50	$23,181.50
$71.45	$17,148.00	$67.30	$23,804.90
$73.35	$17,604.00	$69.10	$24,428.30
$75.25	$18,060.00	$70.90	$25,051.70

Student Loan Guide

$10,000 Loan Amount Requested, Estimated Monthly				
	TERM			
Sample Interest Rate	10 Year		15 Year	
	Monthly Payment Amount	Total to Repay	Monthly Payment Amount	Total to Repay
4.00%	$101.20	$12,149.40	$73.90	$13,314.30
4.50%	$103.60	$12,436.60	$76.40	$13,769.80
5.00%	$106.07	$12,728.02	$79.00	$14,234.20
5.50%	$108.49	$13,023.20	$81.80	$14,707.50
6.00%	$111.00	$13,322.50	$84.40	$15,189.40
6.50%	$113.58	$13,640.95	$87.20	$15,679.90
7.00%	$116.10	$13,933.00	$89.90	$16,178.90
7.50%	$118.68	$14,206.44	$92.70	$16,686.20
8.00%	$121.30	$14,599.30	$95.50	$17,201.10
8.50%	$124.10	$14,878.33	$98.30	$17,717.50
9.00%	$126.70	$15,201.10	$101.10	$18,233.90
9.50%	$129.35	$15,530.40	$103.90	$18,750.30
10.00%	$131.99	$15,859.20	$106.70	$19,266.70
10.50%	$134.90	$16,192.20	$109.50	$19,783.10
11.00%	$138.04	$16,528.70	$112.30	$20,299.50
11.50%	$141.22	$16,865.90	$115.10	$20,815.90
12.00%	$143.34	$17,218.46	$117.90	$21,332.30
12.50%	$145.72	$17,567.10	$120.70	$21,848.70
13.00%	$148.60	$17,888.40	$123.50	$22,365.10
13.50%	$152.20	$18,127.68	$126.30	$22,881.50
14.00%	$155.80	$18,366.96	$129.10	$23,397.90
14.50%	$159.40	$18,606.24	$131.90	$23,914.30
15.00%	$163.00	$18,845.52	$134.70	$24,430.70
15.50%	$166.60	$19,084.80	$137.50	$24,947.10
16.00%	$167.50	$20,101.60	$140.30	$25,463.50
16.50%	$170.60	$20,477.10	$143.10	$25,979.90
17.00%	$173.70	$20,855.70	$145.90	$26,496.30
17.50%	$177.00	$21,237.50	$148.70	$27,012.70

Payment Amount & Total Balance to Repay			
TERM			
20 Year		30 Year	
Monthly Payment Amount	Total to Repay	Monthly Payment Amount	Total to Repay
$60.60	$14,544.00	$47.70	$17,186.90
$63.30	$15,192.00	$50.60	$18,240.60
$66.00	$15,840.00	$53.60	$19,325.50
$68.80	$16,512.00	$56.80	$20,440.40
$71.60	$17,184.00	$60.00	$21,583.80
$74.60	$17,904.00	$63.30	$22,754.40
$77.50	$18,600.00	$66.50	$23,950.90
$80.60	$19,344.00	$69.90	$25,171.70
$83.60	$20,064.00	$73.40	$26,414.20
$86.80	$20,832.00	$77.00	$27,661.00
$90.00	$21,600.00	$80.60	$28,907.80
$93.20	$22,368.00	$84.20	$30,154.60
$96.50	$23,160.00	$87.80	$31,401.40
$106.60	$25,584.00	$91.40	$32,648.20
$103.20	$24,768.00	$95.00	$33,895.00
$106.60	$25,584.00	$98.60	$35,141.80
$110.10	$26,424.00	$102.20	$36,388.60
$113.60	$27,264.00	$105.80	$37,635.40
$117.20	$28,128.00	$109.40	$38,882.20
$120.70	$28,968.00	$113.00	$40,129.00
$124.40	$29,856.00	$116.60	$41,375.80
$128.00	$30,720.00	$120.20	$42,622.60
$131.70	$31,608.00	$123.80	$43,869.40
$135.40	$32,496.00	$127.40	$45,116.20
$139.10	$33,384.00	$131.00	$46,363.00
$142.90	$34,296.00	$134.60	$47,609.80
$146.70	$35,208.00	$138.20	$48,856.60
$150.50	$36,120.00	$141.80	$50,103.40

$20,000 Loan Amount Requested, Estimated Monthly				
	TERM			
Sample Interest Rate	10 Year		15 Year	
	Monthly Payment Amount	Total to Repay	Monthly Payment Amount	Total to Repay
4.00%	$202.40	$24,298.80	$147.80	$26,628.60
4.50%	$207.20	$24,873.20	$152.80	$27,539.60
5.00%	$212.14	$25,456.05	$158.00	$28,468.40
5.50%	$216.98	$26,046.40	$163.60	$29,415.00
6.00%	$222.00	$26,645.00	$168.80	$30,378.80
6.50%	$227.17	$27,281.90	$174.40	$31,359.80
7.00%	$232.20	$27,866.00	$179.80	$32,357.80
7.50%	$237.35	$28,412.88	$185.40	$33,372.40
8.00%	$242.60	$29,118.60	$191.00	$34,402.20
8.50%	$248.20	$29,756.67	$196.60	$35,435.00
9.00%	$253.40	$30,402.20	$202.20	$36,467.80
9.50%	$258.70	$31,060.80	$207.80	$37,500.60
10.00%	$263.98	$31,718.40	$213.40	$38,533.40
10.50%	$269.80	$32,384.40	$219.00	$39,566.20
11.00%	$276.07	$33,057.40	$224.60	$40,599.00
11.50%	$282.43	$33,731.80	$230.20	$41,631.80
12.00%	$286.69	$34,436.92	$235.80	$42,664.60
12.50%	$291.43	$35,134.20	$241.40	$43,697.40
13.00%	$297.20	$35,776.80	$247.00	$44,730.20
13.50%	$304.40	$36,255.36	$252.60	$45,763.00
14.00%	$311.60	$36,733.92	$258.20	$46,795.80
14.50%	$318.80	$37,212.48	$263.80	$47,828.60
15.00%	$326.00	$37,691.04	$269.40	$48,861.40
15.50%	$333.20	$38,169.60	$275.00	$49,894.20
16.00%	$335.00	$40,203.20	$280.60	$50,927.00
16.50%	$341.20	$40,954.20	$286.20	$51,959.80
17.00%	$347.40	$41,711.40	$291.80	$52,992.60
17.50%	$354.00	$42,475.00	$297.40	$54,025.40

Payment Amount & Total Balance to Repay			
TERM			
20 Year		30 Year	
Monthly Payment Amount	Total to Repay	Monthly Payment Amount	Total to Repay
$121.20	$29,088.00	$95.40	$34,373.80
$126.60	$30,384.00	$101.20	$36,481.20
$132.00	$31,680.00	$107.20	$38,651.00
$137.60	$33,024.00	$113.60	$40,880.80
$143.20	$34,368.00	$120.00	$43,167.60
$149.20	$35,808.00	$126.60	$45,508.80
$155.00	$37,200.00	$133.00	$47,901.80
$161.20	$38,688.00	$139.80	$50,343.40
$167.20	$40,128.00	$146.80	$52,828.40
$173.60	$41,664.00	$154.00	$55,322.00
$180.00	$43,200.00	$161.20	$57,815.60
$186.40	$44,736.00	$168.40	$60,309.20
$193.00	$46,320.00	$175.60	$62,802.80
$213.20	$51,168.00	$182.80	$65,296.40
$206.40	$49,536.00	$190.00	$67,790.00
$213.20	$51,168.00	$197.20	$70,283.60
$220.20	$52,848.00	$204.40	$72,777.20
$227.20	$54,528.00	$211.60	$75,270.80
$234.40	$56,256.00	$218.80	$77,764.40
$241.40	$57,936.00	$226.00	$80,258.00
$248.80	$59,712.00	$233.20	$82,751.60
$256.00	$61,440.00	$240.40	$85,245.20
$263.40	$63,216.00	$247.60	$87,738.80
$270.80	$64,992.00	$254.80	$90,232.40
$278.20	$66,768.00	$262.00	$92,726.00
$285.80	$68,592.00	$269.20	$95,219.60
$293.40	$70,416.00	$276.40	$97,713.20
$301.00	$72,240.00	$283.60	$100,206.80

$25,000 Loan Amount Requested, Estimated Monthly				
	TERM			
Sample Interest Rate	10 Year		15 Year	
	Monthly Payment Amount	Total to Repay	Monthly Payment Amount	Total to Repay
4.00%	$253.00	$30,373.50	$184.75	$33,328.75
4.50%	$259.00	$31,091.50	$191.00	$34,424.50
5.00%	$265.18	$31,820.06	$197.50	$35,585.50
5.50%	$271.23	$32,558.00	$204.50	$36,768.75
6.00%	$277.50	$33,306.25	$211.00	$37,973.50
6.50%	$283.96	$34,102.37	$218.00	$39,199.75
7.00%	$290.25	$34,832.50	$224.75	$40,447.25
7.50%	$296.69	$35,516.10	$231.75	$41.715.50
8.00%	$303.25	$36,398.25	$238.75	$43,002.75
8.50%	$310.25	$37,195.83	$245.75	$44,293.75
9.00%	$316.75	$38,002.75	$252.75	$45,584.75
9.50%	$323.38	$38,826.00	$259.75	$46,875.75
10.00%	$329.98	$39,648.00	$266.75	$48,166.75
10.50%	$337.25	$40,480.50	$273.75	$49,457.75
11.00%	$345.09	$41,321.75	$280.75	$50,748.75
11.50%	$353.04	$42,164.75	$287.75	$52,039.75
12.00%	$358.36	$43,046.15	$294.75	$53,330.75
12.50%	$364.29	$43,917.75	$301.75	$54,621.75
13.00%	$371.50	$44,721.00	$308.75	$55,912.75
13.50%	$380.50	$45,319.20	$315.75	$57,203.75
14.00%	$389.50	$45,917.40	$322.75	$58,494.75
14.50%	$398.50	$46,515.60	$329.75	$59,785.75
15.00%	$407.50	$47,113.80	$336.75	$61,076.75
15.50%	$416.50	$47,712.00	$343.75	$62,367.75
16.00%	$418.75	$50,254.00	$350.75	$63,658.75
16.50%	$426.50	$51,192.75	$357.75	$64,949.75
17.00%	$434.25	$52,139.25	$364.75	$66,240.75
17.50%	$442.50	$53,093.75	$371.75	$67,531.75

Payment Amount & Total Balance to Repay			
TERM			
20 Year		30 Year	
Monthly Payment Amount	Total to Repay	Monthly Payment Amount	Total to Repay
$151.50	$36,360.00	$119.25	$42,967.25
$158.25	$37,980.00	$126.50	$45,601.50
$165.00	$39,600.00	$134.00	$48,313.75
$172.00	$41,280.00	$142.00	$51,101.00
$179.00	$42,960.00	$150.00	$53,959.50
$186.50	$44,760.00	$158.25	$56,886.00
$193.75	$46,500.00	$166.25	$59,877.25
$201.50	$48,360.00	$174.75	$62,929.25
$209.00	$50,160.00	$183.50	$66,035.50
$217.00	$52,080.00	$192.50	$69,152.50
$225.00	$54,000.00	$201.50	$72,269.50
$233.00	$55,920.00	$210.50	$75,386.50
$241.25	$57,900.00	$219.50	$78,503.50
$266.50	$63,960.00	$228.50	$81,620.50
$258.00	$61,920.00	$237.50	$84,737.50
$266.50	$63,960.00	$246.50	$87,854.50
$275.25	$66,060.00	$255.50	$90,971.50
$284.00	$68,160.00	$264.50	$94,088.50
$293.00	$70,320.00	$273.50	$97,205.50
$301.75	$72,420.00	$282.50	$100,322.50
$311.00	$74,640.00	$291.50	$103,439.50
$320.00	$76,800.00	$300.50	$106,556.50
$329.25	$79,020.00	$309.50	$109,673.50
$338.50	$81,240.00	$318.50	$112,790.50
$347.75	$83,460.00	$327.50	$115,907.50
$357.25	$85,740.00	$336.50	$119,024.50
$366.75	$88,020.00	$345.50	$122,141.50
$376.25	$90,300.00	$354.50	$125,258.50

$30,000 Loan Amount Requested, Estimated Monthly				
	TERM			
Sample Interest Rate	10 Year		15 Year	
	Monthly Payment Amount	Total to Repay	Monthly Payment Amount	Total to Repay
4.00%	$303.60	$36,448.20	$221.70	$39,942.90
4.50%	$310.80	$37,309.80	$229.20	$41,309.40
5.00%	$318.21	$38,184.07	$237.00	$42,702.60
5.50%	$325.47	$39,069.60	$245.40	$44,122.50
6.00%	$333.00	$39,967.50	$253.20	$45,568.20
6.50%	$340.75	$40,922.85	$261.60	$47,039.70
7.00%	$348.30	$41,799.00	$269.70	$48,536.70
7.50%	$356.03	$42,619.32	$278.10	$50,058.60
8.00%	$363.90	$43,677.90	$286.50	$51,603.30
8.50%	$372.30	$44,635.00	$294.90	$53,152.50
9.00%	$380.10	$45,603.30	$303.30	$54,701.70
9.50%	$388.05	$46,591.20	$311.70	$56,250.90
10.00%	$395.97	$47,577.60	$320.10	$57,800.10
10.50%	$404.70	$48,576.60	$328.50	$59,349.30
11.00%	$414.11	$49,568.10	$336.90	$60,898.50
11.50%	$423.65	$50,597.70	$345.30	$62,447.70
12.00%	$430.03	$51,655.38	$353.70	$63,996.90
12.50%	$437.15	$52,701.30	$362.10	$65,546.10
13.00%	$445.80	$53,665.20	$370.50	$67,095.30
13.50%	$456.60	$54,383.04	$378.90	$68,644.50
14.00%	$467.40	$55,100.88	$387.30	$70,193.70
14.50%	$478.20	$55,818.72	$395.70	$71,742.90
15.00%	$489.00	$56,536.56	$404.10	$73,292.10
15.50%	$499.80	$57,254.40	$412.50	$74,841.30
16.00%	$502.50	$60,304.80	$420.90	$76,390.50
16.50%	$511.80	$61,431.30	$429.30	$77,939.70
17.00%	$521.10	$62,567.10	$437.70	$79,488.90
17.50%	$531.00	$63,712.50	$446.10	$81,038.10

Payment Amount & Total Balance to Repay			
TERM			
20 Year		30 Year	
Monthly Payment Amount	Total to Repay	Monthly Payment Amount	Total to Repay
$181.80	$43,632.00	$143.10	$51,560.70
$189.90	$45,576.00	$151.80	$54,721.80
$198.00	$47,520.00	$160.80	$57,976.50
$206.40	$49,536.00	$170.40	$61,321.20
$214.80	$51,552.00	$180.00	$64,751.40
$223.80	$53,712.00	$189.90	$68,263.20
$232.50	$55,800.00	$199.50	$71,852.70
$241.80	$58,032.00	$209.70	$75,515.10
$250.80	$60,192.00	$220.20	$79,242.60
$260.40	$62,496.00	$231.00	$82,983.00
$270.00	$64,800.00	$241.80	$86,723.40
$279.60	$67,104.00	$252.60	$90,463.80
$289.50	$69,480.00	$263.40	$94,204.20
$319.80	$76,752.00	$274.20	$97,944.60
$309.60	$74,304.00	$285.00	$101,685.00
$319.80	$76,752.00	$295.80	$105,425.40
$330.30	$79,272.00	$306.60	$109,165.80
$340.80	$81,792.00	$317.40	$112,906.20
$351.60	$84,384.00	$328.20	$116,646.60
$362.10	$86,904.00	$339.00	$120,387.00
$373.20	$89,568.00	$349.80	$124,127.40
$384.00	$92,160.00	$360.60	$127,867.80
$395.10	$94,824.00	$371.40	$131,608.20
$406.20	$97,488.00	$382.20	$135,348.60
$417.30	$100,152.00	$393.00	$139,089.00
$428.70	$102,888.00	$403.80	$142,829.40
$440.10	$105,624.00	$414.60	$146,569.80
$451.50	$108,360.00	$425.40	$150,310.20

Student Loan Guide

Compare 2026-2027 State of New Jersey NJCLASS vs. Federal Parent PLUS vs. Sallie Mae Smart Option
NJCLASS cannot be compared to Federal Direct Loans, subsidized or unsubsidized, because borrowers must first take Federal Direct Loans prior to NJCLASS loans. Like the Federal Parent PLUS loan, the NJCLASS family loan is a supplemental loan that can only be used to cover unmet need after all other aid, including Federal Direct Loans, is subtracted from the cost of attendance. The chart below compares different features of NJCLASS Loans and Federal Parent PLUS Loans or other Private lenders

an Type	NJCLASS 10 Year- Fixed Rate Loan	NJCLASS 15 Year- Fixed Rate Loan	NJCLASS 20 Year- Fixed Rate Loan	Federal 10 Year-Fixed
ho Can be a Party to the Loan	The student or parent is the borrower. A parent, relative or other US Citizen or eligible Non-Citizen may co-sign the loan.	The student or parent is the borrower. A parent, relative or other US Citizen or eligible Non-Citizen may co-sign the loan.	The student or parent is the borrower. A parent, relative or other US Citizen or eligible Non-Citizen may co-sign the loan.	Parent Only
payment Option	Immediate repayment of principal & interest	Interest only while in school	Full deferment while in school	Immediate principal & repayment
an Type	Fixed	Fixed	Fixed	Fixed
mple Loan Amount Requested – can borrow up to cost of tendance – minus other aid[4]	$16,000	$16,000	$16,000	$16,000
tal Amount Borrowed (Including Fees)	$16,000.00	$16,000	$16,000	$16,706.34
terest Rate/APR	5.95%[1]/5.95%	7.25%[1]/7.25%	8.65%[1]/8.65%	9.07%[2]/10.09%
an Fee	0.00%	0.00%	0.00%	4.228%[3]
ars in Repayment	10 (120 months)	15 (180 months)	20 (240 months)	10 (120 months)
yment while in School (Assuming One Loan Only)[5]	$178.32	$96.72	$0.00	$212.26
yment when out of School (Assuming One Loan Only)[5]	$178.32	$176.25	$216.26	$212.26
tal finance charges & administrative fee ssuming One Loan Only)	$5,288.82	$12,011.89	$25,393.63	$9,471.20
tal Cost of Loan	$21,288.82	$28,011.89	$41,393.63	$25,471.20
timated cost of borrowing over 4 years, at 16,000 per year, assuming at the interest rate is the same from year to year.	$713.28 per month $85,155.28 over life of loans	$705.00 per month when out of college $112,047.56 over life of loans	$865.04 per month when out of college $165,574.52 over life of loans	$849.04 per month $101,884.80 over life of loan
payment Relief Options cluding Income Contingent Repayment Plans	https://www.hesaa.org/Pages/NJCLASSReliefOptions.aspx Repayment Assistance Program (RAP) and Household Income Affordable Repayment Plan (HIARP) www.hesaa.org/Pages/RAPInfo.aspx			
erage Default Rate	7.62%[6]			
erage # of Administrative Wage Garnishments	For FY2025, 0 AWG orders were sent to employers.			
rcent of Deferment and Forbearance Relief Granted	2.41%[7]			
habilitation Relief	Yes, if parties to a defaulted NJCLASS loan make 9 out of 10 voluntary monthly on-time payments pursuant to a settlement agreement, the loan shall be considered rehabilitated for the limited purposes of meeting the requirements of Title VI of the federal "Economic Growth, Regulatory Relief, and Consumer Protection Act," Pub.L.115-174.			
erage # of Law Collection Lawsuits	There were 437 lawsuits filed in Fiscal Year 2025			

1 Fixed interest rate for the life of the loan
2 For Direct PLUS Loans first disbursed on or after July 1, 2026, and before June 30, 2027, the interest rate is 9.07%. The interest rate for Direct PLUS loans disbursed before July 1, 2026 is 8.94%.
3 For Direct PLUS Loans disbursed on or after July 1, 2025 and before July 1, 2026, the loan administrative fee rate is 4.228%.
4 The average NJCLASS loan amount is $16,000. To see the monthly payment amount and total amount for other loan amounts at sample interest rates ranging from 4.00% to 17.50% see the Student Loan Guide www.hesaa.org/Documents/Student_Loan_Guide.pdf
5 To calculate the in-school and out-of-school payment amounts for other NJCLASS loan amounts see the NJCLASS loan www.hesaa.org/oNJCLASS/jsp/world/amortizationCalculator.jsp
6 As of 12/31/25 the average default rate is determined as the percentage of loans that have been placed in a defaulted status, divided by the original total amount of loans disbursed to date.
7 As of 12/31/25 the percentage of deferments and payment relief granted excludes in-school deferments

Revised: 5/23/2026
NJ Rev Stat § 18A:71C-21.2 (2019)

Parent PLUS Rate Loan	Federal Parent PLUS 15 Year-Fixed Rate Loan	Federal Parent PLUS Loan 20 Year- Fixed Rate Loan	Sallie Mae Smart Option	Sallie Mae Smart Option
	Parent Only	Parent Only	The student or parent is the borrower. A parent, relative or other US Citizen or eligible Non-Citizen may co-sign the loan.	The student or parent is the borrower. A parent, relative or other US Citizen or eligible Non-Citizen may co-sign the loan.
repayment of interest (Other options available	Interest only while in school	Full deferment request	Immediate repayment of principal & interest	Full deferment while in school
	Fixed	Fixed	Varible/Fixed	Varible/Fixed
	$16,000	$16,000	$16,000	$16,000
	$16,706.34	$16,706.34	$16,000	$16,000
	8.94%[2]/10.00%	8.94%[2]/9.77%	Weighted Average* Annual Borrower Interest Rate 11.47% (published fixed range as of May 2026 2.89% to 17.49%)	Weighted Average* Annual Borrower Interest Rate 11.47% (published fixed range as of May 2026 2.89% to 17.49%)
	4.228%[3]	4.228%[3]	0.00%	0.00%
	15 (180)	20 (240 months)	10 (120 months)	10 (120 months)
	$126.27	$0.00	$224.68	$0.00
	$197.87	$219.85	$224.68	$334.20
	$16,394.60	$26,870.75	$10,961.60	$24,104.00
	$32,394.60	$42,870.75	$26,961.60	$40,104.00
	$795.48 per month	$879.40 per month when out of college	$898.72 per month when out of college	$1,336.80 per month when out of college
s	$129,578.40 over life of loans	$171,483.00 over life of loans	$107,846.40 over life of loans	$160,416.00 over life of loans
https://studentaid.gov/manage-loans/lower-payments/get-temporary-relief			https://www.salliemae.com/content/dam/slm/writtencontent/Reports/investors/1Q_2026_Investor_Presentation.pdf	
https://studentaid.gov/idr/				
https://www.bestcolleges.com/research/student-loan-default-rate-facts-statistics/				
Data Not Available				
Data Not Available				
Yes - If no legal judgement was issued/granted				
Data Not Available				

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

Helpful Websites

U.S. Department of Education
Federal Student Aid Programs
1-800-4-FED-AID (1-800-433-3243)
TTY 1-800-730-8913
www.studentaid.gov

Complete the FAFSA Online
www.fafsa.gov

Private Career School Association of NJ
www.pcsanj.com

College Planning and Money Management
www.mappingyourfuture.org

Payback
www.timeforpayback.com

Next Gen Personal Finance
www.ngpf.org

Free Scholarship Searches
www.fastweb.com

Online Guide to Financial Aid
www.finaid.org

NJ College Credit Transfer Information
www.njtransfer.org

Consumer Financial Protection Bureau
www.consumerfinance.gov