

State of New Jersey

# HESAA

The Student Loan Guide



www.hesaa.org



HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY



## New Jersey Higher Education Student Assistance Authority



The Student Loan Guide provides general student loan information to assist students and their families in planning and paying for a postsecondary education through the use of student loans.



This guide contains information that covers the Federal Loan programs, New Jersey's state loan program-NJCLASS, and information on other alternative private loan options. Our goal is to provide you with information to assist you in navigating your way through the student loan process.

### Our Mission:

The Higher Education Student Assistance Authority (HESAA) is a New Jersey authority that provides students and families with the financial and informational resources for students to pursue their education beyond high school. With roots dating back to 1959, HESAA's singular focus has always been to benefit the students it serves.

### Applying for Aid

The first step in the financial aid process is completion of the Free Application for Federal Student Aid (FAFSA). Students use **FAFSA on the**



**Web** ([www.fafsa.gov](http://www.fafsa.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.

**Be Aware Before YOU BORROW...** There are many alternatives available for you to pay for college. You should explore all options, including:

## Grants & Scholarships

You should first explore all of your options for free money. Many students use state, federal and college grants & 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 timely. Be aware of State deadlines for applying for State grants and scholarships. Make sure you investigate private scholarships or community scholarships that might be available to you.

## Institutional 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.

## 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 also offers a scholarship of up to \$1,500 for those students who qualify and who attend a school in New Jersey. (visit [www.njbbest.com](http://www.njbbest.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, 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 awarded as part of the award package.

## Paying for College When Loans are the Only Remaining Option

*While student loans can help you achieve your educational goals, you should always borrow wisely. New Jersey Higher Education Student Assistance Authority (HESAA) encourages you to borrow responsibly and consider all financial aid options, including grants, scholarships and federal student loans, before applying for any private loan, including HESAA's NJCLASS fixed rate loan.*

*For more information on grants and scholarships and ways to minimize borrowing, visit [www.hesaa.org](http://www.hesaa.org) or [www.njclass.org](http://www.njclass.org).*

## Federal Student Loans

Federal Direct Student Loans are low-interest loans for students to help pay for the cost of their education after high school. There are two types of Federal Loans for students: Federal Perkins and Federal Direct.

## Federal Perkins Loan Program

A Federal Perkins Loan is a low-interest (5%) loan for both undergraduate and graduate [students with exceptional financial need](#). Federal Perkins Loans are made through a school's financial aid office. Your school is your lender, and the loan is made with government funds. You must repay this loan to your school. Students can borrow up to \$5,500 for each year of undergraduate study. The amount you receive depends on when you apply, your financial need, and the funding level at the school. You start



paying back your loan nine months after you graduate, leave school, or drop below half-time status. This is called a “grace period.” If you’re attending less than half time, check with your college or career school to find out how long your grace period will be. For more information on the Perkins Loan, contact your college for specific requirements and repayment options.

## Federal Direct Student Loans *(there are two types)*

**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). *Effective July 1, 2013, the law limits the benefits of the Direct Loan interest subsidy to an aggregated period of no more than 150% of program length for new borrowers. Once that limit has been reached, the borrower will begin to incur interest charges on outstanding subsidized loans if the borrower is enrolled at least half time in a program (including preparatory coursework) that would otherwise qualify the borrower for a Direct Subsidized Loan. For 2014/15 award year the interest rate is fixed at 4.66% with a 1.072% origination fee.*

**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	Total Subsidized/Unsubsidized	Additional Unsubsidized
First Year	\$3,500	\$2,000
Second Year	\$4,500	\$2,000
Third Year and Beyond	\$5,500	\$2,000

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 website to find out how to complete your student loan entrance counseling session or go to [www.mappingyourfuture.org](http://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 Direct Loans on the Web at: [www.nslds.ed.gov](http://www.nslds.ed.gov).**
- **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.

### Repayment Example

Due to the frequent changes in the LIBOR rate and Federal funds rate, upon which the loan interest rates are based, you will need to check each commercial lender's website for the most up-to-date information.

*Go to page 30 to see examples of monthly payments at varying interest rates*

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 complete exit counseling before they leave school (graduate or withdraw) or drop below half-time status (6 credits). This requirement ensures that you will receive essential information regarding your rights and responsibilities as a student loan borrower. You will receive information about the types of loans you received, when and where to make your payments, what to do if you cannot make your payments, and what can happen if you do not make your payments.

In many cases, if you fail to complete exit counseling a hold will be placed on your records. You will not be able to re-enroll in classes, or obtain other college/university services and documents including, but not limited to, your transcripts or diploma.



## Federal Repayment Plans

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

All borrowers may not be eligible for all repayment plans. Some plans are limited based upon the type of loan you obtained and when you obtained the loan.

Go to [www.studentaid.ed.gov/repay-loans/understand/plans](http://www.studentaid.ed.gov/repay-loans/understand/plans) for more information.

### Standard Repayment

With the standard plan, you'll pay a fixed amount each month until your loans are paid in full. Your monthly payments will be at least \$50, and you'll have up to 10 years to repay your loans.

The standard plan is good for you if you can handle higher monthly payments because you'll repay your loans more quickly. Your monthly payment under the standard plan may be higher than it would be under the



other plans because your loans will be repaid in the shortest time. For the same reason, you may pay the least amount of interest due to the 10-year limit on repayment.

## Extended Repayment

To be eligible for the extended plan, you must have more than \$30,000 in Direct Loan debt and you must not have had an outstanding balance on a Direct Loan as of October 7, 1998. Under the extended plan you have 25 years for repayment and two payment options: fixed or graduated. Fixed payments are the same amount each month, while graduated payments start low and increase every two years.

This is a good plan if you will need to make smaller monthly payments. Because the repayment period will be 25 years, your monthly payments will be less than with the standard plan. However, you may pay more in interest because you're taking longer to repay the loans. **Remember that the longer your loans are in repayment, the more interest you will pay.**

## Graduated Repayment

With this plan your payments start out low and increase every two years. The length of your repayment period will be up to 10 years. If you expect your income to increase steadily over time, this plan may be right for you. Your monthly payment will never be less than the amount of interest that accrues between payments. Although your monthly payment will gradually increase, no single payment under this plan will be more than three times greater than any other payment.

## Income Contingent Repayment (ICR)

**(Not available for parent PLUS loans)**

This plan gives you the flexibility to meet your Direct Loan obligations without causing undue financial hardship. Each year, your monthly payments will be calculated on the basis of your adjusted gross income (AGI, plus your spouse's income if you're married), family size, and the total amount of your Direct Loans. Under the ICR plan you will pay each month the lesser of:

1. the amount you would pay if you repaid your loan in 12 years- multiplied by an income percentage factor that varies with your annual income, or
2. 20% of your monthly discretionary income\*.

*\*Monthly discretionary income equals your AGI minus the poverty level for your state of residence and family size, divided by 12.*



If your payments are not large enough to cover the interest that has accumulated on your loans, the unpaid amount will be capitalized once each year. However, capitalization will not exceed 10% of the original amount you owed when you entered repayment. Interest will continue to accumulate but will no longer be capitalized.

The maximum repayment period is 25 years. If you haven't fully repaid your loans after 25 years (time spent in deferment or forbearance does not count) under this plan, the unpaid portion will be discharged. You may, however, have to pay taxes on the amount that is discharged.

## Income-Based Repayment (IBR)

Under this plan the required monthly payment will be based on your income during any period when you have a partial financial hardship. Your monthly payment may be adjusted annually. The maximum repayment period under this plan may not exceed 10 years. If you meet certain requirements over a specified period of time, you may qualify for cancellation of any outstanding balance on your loans.

All Stafford, PLUS and Consolidation Loans made under either the Direct Loan or FFEL Program are eligible for repayment under IBR, EXCEPT loans that are currently in default, parent PLUS Loans (PLUS Loans that were made to parent borrowers), or Consolidation Loans that repaid parent PLUS Loans.





## Pay As You Earn

(Not available for Parent PLUS Loans)

The Pay As You Earn Repayment Plan helps keep your monthly student loan payments affordable, and usually has the lowest monthly payment amount of the repayment plans that are based on your income. If you need to make lower monthly payments, this plan may be for you.

### ***General Eligibility***

***To qualify for Pay As You Earn, you must have a partial financial hardship. You have a partial financial hardship if the monthly amount you would be required to pay on your eligible federal student loans under a 10-year Standard Repayment Plan is higher than the monthly amount you would be required to repay under Pay As You Earn.***

***You also must be a new borrower as of Oct. 1, 2007, and must have received a disbursement of a Direct Loan on or after Oct. 1, 2011. You are a new borrower if you had no outstanding balance on a Direct Loan or FFEL Program loan when you received a new loan on or after Oct. 1, 2007***

Your payment amount may increase or decrease each year based on your income and family size. Once you've initially qualified for Pay As You Earn, you may continue to make payments under the plan even if you no longer have a partial financial hardship.



## Sample Repayment Plan

(calculated on a 6.8% fixed rate)

To determine what your estimated repayment amount may be, go to [www.mappingyourfuture.org](http://www.mappingyourfuture.org) for the right calculator

Initial Debt Enter When You Repayment	Standard (Not to exceed 10 years)		Extended (Not to exceed 25 years)		Graduated (Not to exceed 10 years)	
	Per Month	Total Repaid	Per Month	Total Repaid	Per Month	Total Repaid
\$3,500.00	\$50	\$4,471.00	\$25	\$6,092.00	\$25	\$6,405.00
\$5,000.00	\$58	\$6,905.00	\$40	\$8,703.00	\$36	\$9,150.00
\$7,500.00	\$83	\$10,357.00	\$59	\$13,055.00	\$54	\$13,725.00
\$10,500.00	\$121	\$14,500.00	\$83	\$18,277.00	\$76	\$19,215.00
\$15,000.00	\$173	\$20,714.00	\$119	\$26,110.00	\$108	\$27,451.00
\$40,000.00	\$460	\$55,239.00	\$316	\$72,717.00	\$197	\$84,352.00



## Federal Deferment & Forbearance

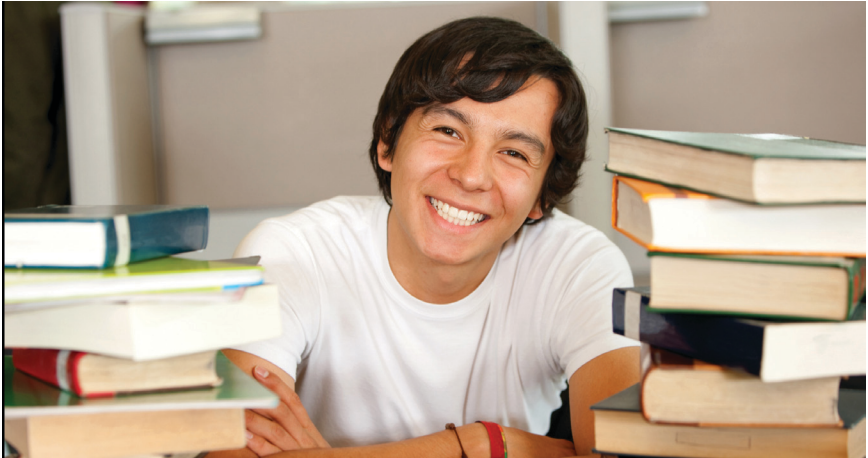
During repayment you may encounter some unforeseen financial situations that make it difficult to repay your student loan. It's very important during these times that you don't ignore the payment. You must still honor your obligation and there are options available to help ease your financial burden. These two options are known as Deferment and Forbearance.

### Deferment

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:

- **Military**
- **Unemployment**
- **Economic Hardship**
- **In School Deferment**
- **Disability**



### Forbearance

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 [www.direct.ed.gov/postpone.html](http://www.direct.ed.gov/postpone.html).



## 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's National Student Loan Data System (NSLDS) at [www.nslds.ed.gov](http://www.nslds.ed.gov), is the central database for federal student aid. You will need your Federal Student Aid PIN to access the database. For more information on your PIN, visit [www.pin.ed.gov](http://www.pin.ed.gov).

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.”**

You can:

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

## Loan Forgiveness

Under certain circumstances, you may qualify to have all or a portion of your loans forgiven. To qualify, you 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: [www.finaid.org/loans/forgiveness.phtml](http://www.finaid.org/loans/forgiveness.phtml).

Federal Perkins loan borrowers and/or Federal Stafford 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 Redemption

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, you may qualify for forgiveness of the remaining balance due on your eligible federal student loans after you 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 Stafford Loans (Direct Subsidized Loans)
- Federal Direct Unsubsidized Stafford Loans (Direct Unsubsidized Loans)
- Federal Direct PLUS Loans (Direct PLUS Loans) for parents and graduate or professional students
- Federal Direct Consolidation Loans (Direct Consolidation Loans)

## Loan Consolidation “Another Option”

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

## How Direct Student Loan Consolidation Works

Direct loan consolidation is facilitated through the United States Department of Education. Essentially, you 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 1/8% and a cap of 8.25%.





## Direct Loan Consolidation Payment Relief

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

## Default

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

## Consequences of Default

- National credit bureaus can be notified of your default, which will harm your credit rating, making it hard to buy a car or a house.
- You will be ineligible for additional federal student aid if you decide to return to school.
- Loan payments can be deducted from your paycheck.
- State and federal income tax refunds can be withheld and applied toward the amount you owe.
- You will have to pay late fees and collection costs on top of what you already owe. You can be sued.

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



## Federal Parent Loans and Alternative Loans

### 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. Graduate and professional students may apply for PLUS Loans for their own expenses. 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 2014/15 academic year is fixed at 7.9%. 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.

***Parents should explore the State sponsored NJCLASS Loan as an alternative***

### Private Alternative Loans

Private loans can provide supplemental **variable interest rate** (or adjustable rate) funding when other free aid does not cover costs. These loans are credit based offered by banks, other financial institutions, and schools. Parents and students applying for this type of loan may generally require a cosigner. 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. 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 till 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. Obviously, 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 you are facing financial difficulties, a fixed interest rate student loan could make the difference in whether you are able to pay the student loan, in addition to your other expenses, in order to achieve your financial goals.



**Variable interest rate** student loans are constantly adjusted according to the interest rates that are applicable in the current interest market place. 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 applied 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 payment you are required to pay will increase. If you are considering a **variable rate loan**, understand that rate changes may not be in your 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 you will be paying 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, so look at your current financial situation as well as what your future financial goals are and choose which option is best for you.

## Research: Explore Your Options

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 your 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 you require a private student loan, do not wait until your tuition bill is due to apply for one because you may receive less favorable terms and conditions.

Most programs allow borrowers to delay payments during school and offer hardship deferments during repayment. These options often increase the total amount you will pay, because interest charges will accrue during deferment periods.

Read all material provided to you by your lender, and ask about things you do not understand. Most private student loans are made by responsible lenders—and all are regulated by consumer credit laws. Get to know your lender prior to borrowing because your relationship with them will be a long-term one. Visit the Better Business Bureau at [www.bbb.org](http://www.bbb.org), ask your financial aid officer and talk to others who have worked with the lender so that you can make an informed decision.



## State of New Jersey NJCLASS Loan Program for Undergraduates

NJCLASS is one of the most affordable and flexible supplemental student loan programs in the nation and is an alternative to the Federal PLUS loan. NJCLASS 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. **The borrower is the student.**

NJCLASS gives you the ability to borrow as much as you need to meet the remaining cost of your postsecondary education after other financial aid is awarded. NJCLASS may be used for school related expenses including tuition & fees, books, supplies, and room & board. There are no annual and/or aggregate loan limits.



## 2014/2015 NJCLASS Fixed or Variable Interest Rates and Repayment Options

<b>10-Year Repayment Term</b>	<ul style="list-style-type: none"> <li>• Immediate Repayment of Principal and Interest</li> <li>• 3% Administrative Fee for the Fixed Rate loan</li> <li>• 0% Administration Fee for the Variable Rate loan</li> </ul>
<b>Fixed Rate - 5.99% or Variable - 4.48%</b>	<i>The borrower begins paying on a monthly basis, loan principal and interest, within 60 days after the first disbursement.</i>
<b>15-Year Repayment Term</b>	<ul style="list-style-type: none"> <li>• Immediate Repayment of Principal and Interest or Monthly Interest Only</li> <li>• 3% Administrative Fee</li> </ul>
<b>Fixed Rate - 6.95%</b>	<i>The borrower begins paying on a monthly basis, loan principal and interest, within 60 days after the first disbursement.</i>
<b>20-Year Repayment Term</b>	<ul style="list-style-type: none"> <li>• Full Deferral While in School at Least Half-Time</li> <li>• 3% Administrative Fee</li> </ul>
<b>Fixed Rate - 8.40%</b>	<i>Loan principal and interest payments are deferred until after the student is no longer enrolled in school on at least a half-time basis.</i>





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	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 Immediate Repayment 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 Deferral While in School Begin making payments of principal and interest after no longer enrolled at least half-time.	10 Year Variable Rate Begin Repayment Immediately
Loan Amount Borrowed	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Loan Fee	\$300	\$300	\$300	\$300	-
Interest Rate*	5.99%/6.74%	6.65/7.40%	6.65/7.40%	8.40/9.15%	4.49/4.49%
Repayment Period	10 Yrs	15 Yrs	15 Yrs	20 Yrs	10 Yrs
Payment while in school	\$112.93	\$89.63	\$55.81	-	\$104.51
Monthly Payment after school	\$112.93	\$89.63	\$107.87	\$134.22	\$104.51
Total Cost to Borrower	\$13,428.00	\$16,239.00	\$16,894.00	\$25,731.00	\$12,401.00
I can save by making payments while in school	\$12,303.00	\$9,492.00	\$8,837.00	\$0.00	\$13,330.00
How much additional can I save by choosing a 10 Year term	\$2,811.00				
<b>NJCLASS Step Up</b> NJCLASS reduces the interest rate for the first 48 monthly payments of principal and interest (12 monthly payments for the full deferral option 3 in the Fixed Rate Program). This reduction assists borrowers in repaying more principal during these early months when the loan balance is highest. The result is a lower overall cost to the borrower. For Fixed Rate option 3 loans, the rate steps up on the 13th month of repayment and for option 1 and 2 loans, the rate steps up on the 49th month of principal and interest payment. The interest rate increases by 0.75% and stays at that rate for the remainder of the loan. For Graduate/Professional fixed interest rate loans, the 0.75% interest rate step up occurs in the 49th month of principal and interest payment for all repayment options.					



## New Jersey State Student Loans: NJCLASS

You may want to consider for attendance at a New Jersey school or any eligible out-of-state school when other free aid and a Subsidized Federal Direct Loan do not cover college costs. Be advised 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 offers:

- A low fixed interest rate or variable interest rate\*
- Quick approvals - online secure application with e-Sign
- Either the student or the parent can borrow
- Flexible repayment options
- Up to 20 years to repay
- No annual and/or aggregate loan limits
- Alternative to the Federal PLUS Loan
- Low Administrative Fee or No Fee option

\* See [www.njclass.org](http://www.njclass.org) for more information on full terms and conditions. All loan options are limited and subject to availability.

### NJCLASS Repayment Information

- Deferments are available\*\*
- 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.

**\*\*PLEASE NOTE:** Deferment must be authorized by submitting documentation to HESAA that establishes eligibility.



## Top 10 Tips When Applying for Private or Alternative Loans

- 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 loan programs (Stafford, PLUS or NJCLASS) before applying for a private loan. Why? Federal loans and State sponsored loans typically carry lower fixed interest rates and they offer more flexible repayment options.
- 2. Find a cosigner...you will need one.** Find a creditworthy cosigner (for example; a parent, grandparent, aunt, uncle or other relative) 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 you are lucky enough to be approved, you will likely pay dearly for this loan.
- 3. Evaluate your alternatives; it can save you thousands.** Review your school's list of preferred private loan lenders (if available). Student Lending Analytics also provides the SLA Student Loan Ratings to assist you in finding the best private student loan. 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 your eligibility with lenders before applying.
  - Read about Fair Isaac's new policy change to learn about how shopping for student loans over a 30 day period will protect your credit scores at: [www.myfico.com/crediteducation/questions](http://www.myfico.com/crediteducation/questions).
  - Search the web for "Why Shopping for Student Loans Can Make a Big Difference!" to learn why it makes sense to comparison shop.
- 4. States have private loan programs you may want to consider.** Be aware that New Jersey offers private 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 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. Your local credit union may be worth a shot.** With conservative financial management, credit unions have largely avoided the carnage that has afflicted the U.S. banking system. If you are a member of a credit union or belong to an affinity group that would qualify you 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 and variable rate loans. Many private student loans consist of an Index (LIBOR or Prime Rate) and a Margin (e.g. +5%). To determine the starting interest rate on your 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 your private loan may be 2–3% higher than your starting interest rate.

***Don't accept your loan offer until you know the interest rate and fees on your loan.***

**7. Select the repayment option for which your financial situation allows:**

- **Want to save thousands of dollars in loan costs? Make interest payments on your loan 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 that your lender (not all do) offers an in-school deferment option, which will allow you to postpone payments until after you graduate. 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 you will pay over the life of the loan. Remember, despite having standard terms of 15–25 years, you always have the option to pay off your loan sooner without penalty.**



8. **Once you take out a private loan, be aware that IT WILL NEED TO BE PAID BACK.** Like federal student loans, private loans may not be dischargeable in bankruptcy so be sure that you borrow responsibly and not beyond what you can reasonably expect to pay back.
9. **Sweat the details...read the Promissory Note.** Lurking inside that document could be a clause that allows a lender to raise your interest rate by 2-3% if you are 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 your loan.

***Top 10 Tips Information provided by; Student Lending Analytics:  
2009 SLA Guide to Private (or Alternative) Loan***





## HESAA Student Loan Dictionary

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### **Borrower**

The person who applies for a loan and receives the proceeds (or money) of the loan.

### **Cosigner**

A person who signs the promissory note in addition to the borrower and is responsible for the obligation if the borrower does not pay. A cosigner must be able to pass a credit review and must live in the United States.

### **Default**

Failure to repay a loan according to the terms agreed to when the borrower signed a promissory note for the loan. Default on federal student loans occurs at 270 days delinquent. Private loans may have different periods for default.

### **Deferment**

A period during which a borrower, who meets certain criteria, may temporarily suspend loan payments. For some loans the federal government pays the interest during a deferment. On others, the interest accrues and is capitalized, and the borrower is responsible for paying it.

### **Delinquency**

Failure to make monthly loan payments when due. Delinquency begins with the first missed payment.

### **Disbursement**

The release of loan funds to the school for delivery to the borrower. Disbursements are usually made in equal multiple installments co-payable to the borrower and the school. Disbursement of funds may be sent electronically to the school.

### **Entrance Loan Counseling**

Students with federal educational loans are required to receive counseling before they receive their first loan disbursement during which the borrower's rights and responsibilities and loan terms and conditions are reviewed with the student. These sessions may be conducted online, by video, in person with the FAA or FAO, or in a group meeting.



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## **Exit Counseling**

Students with federal educational loans are required to receive counseling before they leave school (graduate or withdraw) or drop below half-time (6 credits), during which the borrower's rights and responsibilities and loan terms and conditions are reviewed with the student. This session may be conducted online, by video, in person with the Financial Aid Administrator (FAA) or Financial Aid Officer (FAO), or in a group meeting.

## **Federal Direct Stafford Loans**

Loans, both Subsidized (need based) and Unsubsidized (non-need based), guaranteed by the federal government and available to students to fund education.

## **Federal Loan Consolidation**

Combining several federal loans from multiple lenders into a single loan to reduce the monthly payment amount and/or increase the repayment period.

## **Federal PLUS Loan**

Parent Loans for Undergraduate Students. Federally-insured loans for parents of dependent students and students who have been unable to acquire private student loan funds. The amount of a PLUS Loan can not exceed the cost of attendance minus all other financial aid.



## Financial Aid Package

The total amount of financial aid a student is offered by the school. This information, which includes grants, scholarships, work-study and loans, is listed in the college's financial aid "Award Letter."

## Fixed Interest Rate

On a fixed interest rate loan, the interest rate remains the same for the life of the loan.

## Forbearance

Temporary cessation of regularly scheduled payments or temporarily permitting smaller payments than were originally scheduled. Interest still accrues and you are responsible for the added interest.

## Grace Period

The six-month period that begins the day after a Direct Stafford Loan borrower ceases to be enrolled at least half-time at an eligible school. During the grace period, payments of principal are not required.

## Graduate PLUS

The Direct GradPLUS loan is a federally guaranteed, credit-based loan available to assist graduate/professional students in financing their educations. The interest rate is fixed at 7.9%. There is a 4% origination and fee charged on each disbursement.

## Graduated Repayment

A repayment schedule where the monthly payments are lower at the start of the repayment period and increase in payment later on.

## Interest

An amount calculated as a percent of the principal loan amount that is charged for borrowed money. [\*See Fixed Interest and Variable Interest Rates.\*](#)

## Interest-Based Repayment

With an interest-only repayment option, the borrower only pays interest each month for a certain amount of time. Generally, an interest-only repayment term is in effect only while a student is in school at least half time. Typical education loans revert to principal and interest repayment once a student borrower is no longer enrolled in school or the enrollment status falls below half time. The interest-only repayment option accrues more



interest over the life of the loan than the traditional principal and interest repayment options.

## **Interest Capitalization**

Addition of unpaid interest to the principal balance of a loan which increases the total outstanding balance due.

## **Interest-Only Payment**

A payment that covers only accrued interest owed on a loan and none of the principal balance. Interest-only payments do not prohibit borrowers from making additional or larger payments at any time if the borrower desires.

## **Lender**

An organization that funds private education loans for students and parents.

## **LIBOR**

LIBOR is the interest rate that banks charge each other for one-month, three-month, six-month and one-year loans. LIBOR is an acronym for London InterBank Offered Rate. This rate is that which is charged by London banks, and is then published and used as the benchmark for bank rates all over the world. This rate fluctuates based on economic conditions and is used to guide banks in setting rates for adjustable-rate loans, including interest-only mortgages, credit card debt and private student loans. Lenders typically add a point or two to create a profit. LIBOR is compiled by the British Bankers Association (BBA), and is published 11am each day in conjunction with Reuters. It is comprised of a panel of banks representing countries in each currency.

## **Loan**

A type of financial aid that is available to students and their parents that must be repaid to the lender. Student loan programs have varying interest rates and repayment provisions.

## **Loan Proceeds**

The money the borrower receives from a loan (or the amount borrowed minus fees).



## Master Promissory Note (MPN)

A legal contract a student borrower signs when taking out a federal student loan. The Master Promissory Note covers both the Federal Stafford Subsidized and Unsubsidized Direct Loans the student may receive for the same enrollment period. One note is required for Federal loans obtained to complete the degree at one institution.

## Origination Fee

An amount payable by the borrower and deducted from the principal of a loan prior to disbursement of the funds to the borrower. For private loan programs, the origination fee is generally paid to the originator to cover the cost of administering and insuring the program.

## Prepayment

Payment received for a borrower account for more than the amount due.

## Prime Rate

The prime interest rate is the rate charged by commercial financial institutions for short-term loans to corporations or individuals whose credit standing is so high that little risk to the lender is involved in making the loan. This rate fluctuates based on economic conditions and may be different among financial institutions. The prime rate serves as a basis for the interest rates charged for other, higher-risk loans.

## Principal

Amount borrowed, which may increase as a result of interest capitalization, and the amount on which interest is calculated. Also known as principal balance.

## Private Loans

Private loans provide supplemental funding when other financial aid does not cover costs. These loans are offered by banks, other financial institutions, and schools to parents and students. Depending on the repayment option selected the repayment generally begins 30 to 60 days after leaving school or graduating.

## Promissory Note

Contract between a borrower and a lender that includes all the terms and conditions under which the borrower promises to repay the loan.



## Repayment

The time during which a borrower actively pays back an education loan.

## Servicer

Organization that administers and collects loan payments. May be either the loan holder or an agent acting on behalf of the holder. The federal government contracts with multiple entities to administer and collect.

## Standard Repayment

A repayment schedule reflecting equal monthly payments over 10 years.

## Subsidized Federal Direct Stafford Loans

Subsidized, Direct, Loans are awarded to students who demonstrate financial need (i.e., need-based loans). Because the U.S. Department of Education subsidizes the interest, borrowers are not charged interest while they are enrolled in school at least half-time and deferment periods. Repayment begins 6 months after leaving school or graduating.

## Term

A length of time in which to repay a loan. The term is usually agreed to by the lender and borrower within the borrower's contract or promissory note. Also refers to language used in legal documents, such as the promissory note, that defines how a loan will be borrowed and repaid. Some postsecondary educational institutions also use "Term" to refer to an academic period.

## Unsubsidized Federal Direct Stafford Loans

Unsubsidized Federal Loans are available to students regardless of financial need (i.e., non-need based). Borrowers are responsible for the interest that accrues during any period. Repayment begins 6 months after leaving school or graduating.

## Variable Interest Rate

With a variable interest rate loan, the interest rate changes periodically. For example, the interest rate might be affected by the cost of U.S. Treasury Bills (e.g., T-Bill rate plus 1.7%) and be updated monthly, quarterly, semi-annually, or annually.

## Wage Garnishment

If you default on your student loan, money may be withheld from your paycheck and paid to your **lender on your behalf**.



## \$5,000 Loan Amount Requested, Estimated Monthly

Sample Interest Rate	TERM			
	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



## \$10,000 Loan Amount Requested, Estimated Monthly

Sample Interest Rate	TERM			
	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

Sample Interest Rate	TERM			
	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

Sample Interest Rate	TERM			
	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

Sample Interest Rate	TERM			
	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	



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# NOTES



## Helpful Web Sites

### **HESAA - Higher Education Student Assistance Authority**

609-584-4480

Monday through Thursday 8 a.m.- 8 p.m.,

Friday 8 a.m. - 5 p.m.

Bilingual experts are available to answer your questions

[www.hesaa.org](http://www.hesaa.org)

TDD System for the Hearing Impaired

609-588-2526 Monday through Friday 8 a.m. - 5 p.m.

### **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.ed.gov](http://www.studentaid.ed.gov)

Complete the FAFSA Online

[www.fafsa.gov](http://www.fafsa.gov)

NJ Colleges and Universities

[www.njedge.net](http://www.njedge.net)

Private Career School Association of NJ

[www.pcsanj.com](http://www.pcsanj.com)

College Planning and Money Management

[www.mappingyourfuture.org](http://www.mappingyourfuture.org)

Free Scholarship Searches

[www.fastweb.com](http://www.fastweb.com)

Online Guide to Financial Aid

[www.finaid.org](http://www.finaid.org)

NJ College Credit Transfer Information

[www.njtransfer.org](http://www.njtransfer.org)

Consumer Protection/Financial Aid and Scholarship Fraud

[www.ftc.gov](http://www.ftc.gov)



HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

## **New Jersey Higher Education Student Assistance Authority**

**4 Quakerbridge Plaza  
PO Box 071  
Trenton, NJ 08625**

**[www.hesaa.org](http://www.hesaa.org)**

**Phone: 609-584-4480  
Monday - Thursday  
8 a.m. to 8 p.m.  
Friday  
8 a.m. to 5 p.m.**