

ASSEMBLY, No. 737

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman GORDON M. JOHNSON

District 37 (Bergen)

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

SYNOPSIS

Requires Higher Education Student Assistance Authority to consider combined income of all cosigners on application for participation in New Jersey College Loans to Assist State Students (NJCLASS) Loan Program.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 3/1/2021)

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

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

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

8 18A:71C-23. Loans under the NJCLASS Loan Program may be
9 made to eligible borrowers. An eligible borrower is an eligible
10 student or any parent or legal guardian providing financial support
11 for a dependent eligible student. The authority shall set maximum
12 loan amounts for each participant based on such factors as the cost
13 of attending the particular institution, family income, value of
14 family assets or other factors the authority may consider relevant.
15 The loans may be secured by such endorsement, co-maker's
16 collateral or other security as may be required by rules and
17 regulations established by the authority. When considering an
18 application, the authority shall use appropriate documents to verify
19 the financial information provided by an eligible borrower or
20 cosigner. The documents that the authority may use to verify the
21 financial information may include, but need not be limited to,
22 certification by the applicants, recent federal income tax returns,
23 current pay stubs, and current bank statements.

24 When setting a minimum income requirement to determine the
25 eligibility of a prospective borrower, the authority shall consider the
26 combined incomes of all cosigners on an application.

27 (cf: P.L.2017, c.198, s.1)

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29 2. This act shall take effect immediately.

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STATEMENT

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34 In order to be eligible for a loan under the New Jersey College
35 Loans to Assist State Students (NJCLASS) Loan Program, an
36 applicant must meet all the eligibility criteria, including the income
37 requirement, for a loan. Most students, lacking sufficient income to
38 meet this requirement, have one or more cosigners on their
39 application. In some cases, a student who has two parents cosign a
40 loan is ineligible to participate in the NJCLASS loan program
41 because neither parent meets the minimum income requirement,
42 even though their combined income exceeds the requirement. This
43 bill directs the Higher Education Student Assistance Authority,
44 when setting a minimum income requirement to determine the

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

A737 JOHNSON, MURPHY

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- 1 eligibility of a prospective borrower, to consider the combined
- 2 incomes of all cosigners on an application for participation in the
- 3 NJCLASS Loan Program.