ASSEMBLY, No. 1886

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

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SYNOPSIS

Establishes Volunteer Emergency Responder Loan Redemption Program in Higher Education Student Assistance Authority.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT establishing a loan redemption program for certain emergency responders and supplementing chapter 71C of Title 18A of the New Jersey Statutes.

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

1. As used in this act:

"Authority" means the Higher Education Student Assistance Authority established pursuant to N.J.S.18A:71A-3.

"Eligible student loan expenses" means the cumulative outstanding balance of the principal and interest due on student loans used to cover the cost of attendance while enrolled in an undergraduate degree or certificate program at an in-State institution of higher education.

"Program" means the Volunteer Emergency Responder Loan Redemption Program established pursuant to this act.

"Program participant" means a person who volunteers as an emergency responder following the effective date of this act and who meets the criteria of subsection a. of section 2 of this act, and who has executed a contract with the Higher Education Student Assistance Authority for participation in the loan redemption program.

"Volunteer emergency responder" means an active member in good standing of a volunteer fire company, a volunteer member of a duly incorporated first aid, rescue or ambulance squad, or a member of any county or municipal volunteer Office of Emergency Management, provided the member's official duties include responding to a fire or emergency call.

2. a. There is established in the Higher Education Student Assistance Authority a Volunteer Emergency Responder Loan Redemption Program. To be eligible to participate in the program an applicant shall:

(1) be a resident of the State;

(2) be an active volunteer emergency responder;

(3) have completed an undergraduate degree or certificate program at an in-State institution of higher education; and

(4) provide the authority with a sworn or official statement from the chief or other presiding officer with the volunteer fire company, the volunteer first aid, rescue or ambulance squad, or the county or municipal volunteer Office of Emergency Management, as appropriate, attesting that the applicant is an active member in good standing.

An individual may apply to the authority to participate in the program in such manner as the authority prescribes and shall include all information and documentation required by the authority.

b. A program participant may redeem eligible student loan expenses upon execution of a contract between the program participant and the authority. The contract shall be for a specified number of one-year periods of service as a volunteer emergency responder.

c. The redemption of loans under the loan redemption program shall amount to $16,000 or the outstanding balance of eligible student loan expenses, whichever is less, in the following manner:

(1) first year of active service following graduation from the degree or certificate program, an amount up to $4,000, but not to exceed 25 percent of the original qualifying loan;

(2) second year of active service following graduation from the degree or certificate program, an amount up to $4,000, but not to exceed 25 percent of the original qualifying loan; and

(3) third year of active service following graduation from the degree or certificate program, an amount up to $8,000, but not to exceed 50 percent of the original qualifying loan.

A program participant shall submit to the authority proof that he is an active volunteer emergency responder in good standing prior to redemption of loan indebtedness. Service for less than a full year for each period of service shall not entitle the program participant to any benefits under the program.

d. A program participant who has entered into a redemption contract with the authority may nullify the contract by submitting written notification to the authority and assuming full responsibility for repayment of principal and interest on the full amount of his loans or that portion of the loans which has not been redeemed by the State in return for fulfillment of the contract.

e. In the case of the program participant's death or total and permanent disability, the authority shall nullify the service obligation of the program participant. The nullification shall terminate the authority's obligations under the loan redemption contract. If continued enforcement of the contract results in extreme hardship, the authority may nullify or suspend the service obligation of the program participant.

3. The authority shall adopt pursuant to the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations necessary to effectuate the purposes of this act.

4. This act shall take effect immediately.

STATEMENT

This bill establishes the Volunteer Emergency Responder Loan Redemption Program in the Higher Education Student Assistance

Authority. To be eligible to participate in the program, an applicant must:

- be a resident of the State;
- be an active volunteer emergency responder;
- have completed an undergraduate degree or certificate program at an in-State institution of higher education; and
- provide the authority with a sworn or official statement from the chief or other presiding officer with the volunteer fire company, the volunteer first aid, rescue or ambulance squad, or the county or municipal volunteer Office of Emergency Management, as appropriate, attesting that the applicant is an active member in good standing.

The redemption of loans under the program would amount to $16,000 or the outstanding balance of eligible student loan expenses, whichever is less, in the following manner:

- first year of active service following graduation from the degree or certificate program, an amount up to $4,000, but not to exceed 25 percent of the original qualifying loan;
- second year of active service following graduation from the degree or certificate program, an amount up to $4,000, but not to exceed 25 percent of the original qualifying loan; and
- third year of active service following graduation from the degree or certificate program, an amount up to $8,000, but not to exceed 50 percent of the original qualifying loan.