

ASSEMBLY, No. 4396

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JULY 16, 2020

Sponsored by:

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

SYNOPSIS

Establishes Frontline Health Care Worker Loan Forgiveness Program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 7/16/2020)

1 AN ACT establishing a loan forgiveness program for certain
2 frontline health care workers and supplementing chapter 71C of
3 Title 18A of the New Jersey Statutes.

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

7
8 1. As used in this act:

9 “Authority” means the Higher Education Student Assistance
10 Authority.

11 “COVID-related health care services” means any health care
12 services that relate to the diagnosis, prevention, or treatment of the
13 coronavirus disease 2019, including through telehealth services; the
14 assessment or care of the health of a person related to an actual or
15 suspected case of the coronavirus disease 2019, including through
16 telehealth services; or patient care in a setting where there is a
17 reasonable expectation of risk of exposure to the coronavirus
18 disease 2019.

19 “Executive director” means the executive director of the Higher
20 Education Student Assistance Authority.

21 “Frontline health care worker” means an individual who, in
22 exchange for payment or as a volunteer, for any period during the
23 public health emergency or State of emergency declared by the
24 Governor in Executive Order 103 of 2020, is:

25 a. a physician, advanced practice nurse, physician assistant,
26 medical resident, medical intern, medical fellow, nurse, home
27 health care provider, mental health professional, or other health care
28 professional who is licensed or otherwise authorized to practice
29 pursuant to Title 45 of the Revised Statutes and who provides
30 COVID-related health care services;

31 b. a student enrolled in an institution of higher education in a
32 medical, nursing, or other relevant health care program of study and
33 who provides COVID-related health care services;

34 c. a laboratory worker who conducts, evaluates, or analyzes
35 coronavirus disease 2019 testing;

36 d. a medical researcher who conducts research related to the
37 prevention, treatment, or cure of the coronavirus disease 2019;

38 e. an emergency medical technician or paramedic who
39 responds to health emergencies or transports patients to hospitals or
40 other medical facilities; or

41 f. a person who does not meet any of the requirements of
42 subsections a. through e. of this section, but is a health care worker
43 who is licensed, registered, or certified under federal or State law to
44 provide health care services and has made significant contributions
45 to the medical response to the coronavirus disease 2019 emergency.

46 “Private educational lender” means a financial institution that
47 solicits, makes, or extends private student loans, or any other person

1 engaged in the business of soliciting, making, or extending private
2 student loans.

3 “Private student loan” means a loan, other than a State student
4 loan, extended to a frontline health care worker by a private
5 educational lender for the express purpose of financing graduate
6 education expenses or undergraduate education expenses in a
7 relevant health care program of study that leads to a degree or
8 certificate necessary to provide COVID-related health care services.

9 “Program” means the Frontline Health Care Worker Loan
10 Forgiveness Program established pursuant to section 2 of this act.

11 “Program participant” means a frontline health care worker who
12 provides COVID-related health care services in the State and meets
13 all other requirements of the program.

14 “State student loan” means a loan extended to a frontline health
15 care worker under the New Jersey College Loans to Assist State
16 Students (NJCLASS) Loan Program for the express purpose of
17 financing graduate education expenses or undergraduate education
18 expenses in a relevant health care program of study that leads to a
19 degree or certificate necessary to provide COVID-related health
20 care services.

21

22 2. a. There is established within the Higher Education Student
23 Assistance Authority a Frontline Health Care Worker Loan
24 Forgiveness Program. The program shall provide for the
25 forgiveness of State student loans and private student loans of
26 frontline health care workers who provide COVID-related health
27 care services in the State. The program shall remain open to
28 eligible applicants for two years following the expiration of the
29 public health emergency or State of emergency, whichever period
30 of declared emergency is longer, declared by the Governor in
31 Executive Order 103 of 2020.

32 b. Notwithstanding any provision of law to the contrary, the
33 executive director of the authority shall cancel the outstanding
34 balance of interest and principal due on the State student loans of a
35 program participant.

36 c. Notwithstanding any provision of law to the contrary, the
37 State Treasurer shall pay to the private educational lender an
38 amount equal to the sum of the unpaid principal, accrued unpaid
39 interest, and late charges of a program participant’s private student
40 loans, as calculated on the date of the repayment of the loans by the
41 State Treasurer, in order to discharge the program participant from
42 any remaining obligation to the private educational lender with
43 respect to the private student loans.

44

45 3. To be eligible to participate in the program, an applicant
46 shall:

47 a. be a resident of the State;

- 1 b. be a frontline health care worker licensed or otherwise
2 authorized to provide COVID-related health care services in the
3 State;
- 4 c. provide COVID-related health care services in the State;
- 5 d. be a borrower of a State student loan or a private student
6 loan; and
- 7 e. satisfy any other requirements deemed necessary by the
8 executive director and the State Treasurer.
- 9
- 10 4. The executive director of the Higher Education Student
11 Assistance Authority and State Treasurer shall jointly develop one
12 application for borrowers of State student loans and private student
13 loans. An application shall be required to include:
- 14 a. proof of New Jersey residency;
- 15 b. proof of employment or service as a frontline health care
16 worker in the State;
- 17 c. the total amount of applicable loans held by the applicant;
18 and
- 19 d. any other information the executive director and State
20 Treasurer deem necessary.
- 21
- 22 5. With each billing statement provided to a borrower of a
23 State student loan during the Frontline Health Care Worker Loan
24 Forgiveness Program, the executive director shall include a notice
25 informing the borrower of the availability of the Frontline Health
26 Care Worker Loan Forgiveness Program. The executive director
27 shall also require each private educational lender and servicer of a
28 private student loan to include such notice.
- 29
- 30 6. a. Nothing in this act shall be construed to authorize any
31 refunding of any State student loan or private student loan
32 repayment made before the date a program participant's loans are
33 forgiven or paid under the program.
- 34 b. The amount of a program participant's State student loans
35 and private student loans forgiven under this act shall not be
36 included in the gross income of the program participant for
37 purposes of the "New Jersey Gross Income Tax Act," N.J.S.54A:1-
38 1 et seq.
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- 40 7. The executive director of the Higher Education Student
41 Assistance Authority and the State Treasurer, shall jointly adopt, in
42 accordance with the "Administrative Procedure Act," P.L.1968,
43 c.410 (C.52:14B-1 et seq.), rules and regulations as may be
44 necessary to implement the provisions of this act.
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- 46 8. This act shall take effect immediately.

STATEMENT

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This bill establishes the Frontline Health Care Worker Loan Forgiveness Program. The program will provide for the forgiveness of New Jersey College Loans to Assist State Students (NJCLASS) loans and private student loans of frontline health care workers who provide COVID-related health care services in the State. In order for a loan to be eligible for forgiveness under the program, the loans must have been extended for the express purpose of financing graduate education expenses or undergraduate education expenses in a relevant health care program of study that leads to a degree or certificate necessary to provide COVID-related health care services.

Under the bill, the program will remain open to eligible applicants for two years following the expiration of the public health emergency or State of emergency, whichever period of declared emergency is longer, declared by the Governor in Executive Order 103 of 2020. Under the bill, the executive director of the Higher Education Student Assistance Authority (HESAA) will cancel the outstanding balance of interest and principal due on the NJCLASS loans of a program participant. The State Treasurer will pay an amount equal to the sum of the unpaid principal, accrued unpaid interest, and late charges of a program participant’s private student loans.

To be eligible to participate in this program, an applicant must (1) be a resident of New Jersey, (2) be a frontline health care worker licensed or otherwise authorized to provide COVID-related health care services in the State, (3) have provided COVID-related health care services in the State, and (4) be a borrower of a State student loan or a private student loan.

Under the bill, the executive director and a private educational lender are required to include, and require each student loan servicer of a private student loan to include, notice of the availability of the program with each billing statement provided to a borrower of a NJCLASS loan or private student loan.

Under the bill, the amount of a program participant’s NJCLASS loans and private student loans forgiven under the program will not be included in the gross income of a program participant for purposes of the “New Jersey Gross Income Tax Act.”