

**ASSEMBLY, No. 2761**

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**STATE OF NEW JERSEY**

**217th LEGISLATURE**

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INTRODUCED FEBRUARY 8, 2015

**Sponsored by:**

**Assemblyman VINCENT MAZZEO**

**District 2 (Atlantic)**

**Assemblywoman VALERIE VAINIERI HUTTLE**

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**Assemblyman BOB ANDRZEJCZAK**

**District 1 (Atlantic, Cape May and Cumberland)**

**Assemblywoman JOANN DOWNEY**

**District 11 (Monmouth)**

**Co-Sponsored by:**

**Assemblywoman Sumter, Assemblyman Wolfe, Assemblywoman Pinkin,**

**Assemblyman Holley and Assemblywoman Mosquera**

**SYNOPSIS**

Directs Higher Education Student Assistance Authority to forgive certain student loans in event of borrower's death.

**CURRENT VERSION OF TEXT**

As introduced.

(Sponsorship Updated As Of: 9/9/2016)

1 AN ACT concerning student loans offered through the New Jersey  
2 College Loans to Assist State Students (NJCLASS) Loan  
3 Program and supplementing chapter 71C of Title 18A of the New  
4 Jersey Statutes.

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

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9 1. a. In the event of the death of an eligible student borrower,  
10 the Higher Education Student Assistance Authority shall fully  
11 discharge the obligation of the student borrower and a parent or  
12 guardian who cosigned the loan.

13 b. The executor or administrator of the student borrower's  
14 estate shall provide written notification to the authority of the  
15 student borrower's death and shall provide the authority with a  
16 certified copy of the death certificate within 120 days of the student  
17 borrower's death.

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19 2. This act shall take effect immediately.

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22 STATEMENT

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24 This bill directs the Higher Education Student Assistance  
25 Authority (HESAA) to forgive student loans offered through the  
26 New Jersey College Loans to Assist State Students (NJCLASS)  
27 Loan Program in the event of a student borrower's death.

28 NJCLASS Loans are awarded by HESAA and may be used by  
29 undergraduate and graduate students to pay for school-related  
30 expenses including tuition and fees, books, supplies, and room and  
31 board. Under the program, if a borrower dies while the loan is still  
32 in repayment, a person who cosigned the loan (such as a parent)  
33 will assume responsibility for the debt's repayment. Student loans  
34 obtained through the federal government are generally discharged in  
35 the event of the borrower's death.

36 This bill provides that, in the event of an NJCLASS student  
37 borrower's death, HESAA must fully discharge the obligation of the  
38 student borrower and a parent or guardian who cosigned the loan.  
39 Under the bill, the executor or administrator of the student  
40 borrower's estate must provide written notification to the authority  
41 of the student borrower's death and must provide the authority with  
42 a certified copy of the death certificate within 120 days of the  
43 student borrower's death.