

SENATE, No. 765

STATE OF NEW JERSEY 218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Senator SANDRA B. CUNNINGHAM

District 31 (Hudson)

Senator THOMAS H. KEAN, JR.

District 21 (Morris, Somerset and Union)

Senator M. TERESA RUIZ

District 29 (Essex)

Co-Sponsored by:

Senators Gordon, Greenstein and Pou

SYNOPSIS

Requires Higher Education Student Assistance Authority to obtain court order prior to using certain collection practices for defaulted loans under New Jersey College Loans to Assist State Students (NJCLASS) Loan Program.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning the New Jersey College Loans to Assist State
2 Students (NJCLASS) Loan Program and amending
3 N.J.S.18A:71C-29.
4

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

8 1. N.J.S.18A:71C-29 is amended to read as follows:

9 18A:71C-29. a. Unless expressly limited to federal programs,
10 the information exchange, wage withholding, collection procedures,
11 repayment determinations, and other provisions set forth under
12 article 1 of this part shall apply to the NJCLASS Loan Program.

13 b. Notwithstanding any provision of law to the contrary, in the
14 case of any NJCLASS loan in default status, the authority shall
15 obtain a court order prior to pursuing any of the following
16 collection efforts: offsetting a State income tax refund or State
17 lottery prize winnings; initiating wage garnishment; or suspending
18 an occupational and professional license.

19 (cf: N.J.S.18A:71C-29)
20

21 2. This act shall take effect immediately.
22
23

24 STATEMENT

25
26 Under current law, the Higher Education Student Assistance
27 Authority (HESAA) may pursue, without a court order, a variety of
28 means to collect on a defaulted student loan made pursuant to the
29 New Jersey College Loans to Assist State Students (NJCLASS)
30 Loan Program. This bill would require HESAA to obtain a court
31 order prior to pursuing the following collection efforts on a
32 defaulted NJCLASS loan: offsetting a State income tax refund or
33 State lottery prize winnings; initiating wage garnishment; or
34 suspending an occupational or professional license.

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.