

[First Reprint]
SENATE, No. 765

STATE OF NEW JERSEY
218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

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**Senators Gordon, Greenstein, Pou, Assemblyman Giblin, Assemblywomen
Murphy, McKnight and Senator Singleton**

SYNOPSIS

Prohibits Higher Education Student Assistance Authority from referring defaulted loans under New Jersey College Loans to Assist State Students (NJCLASS) Loan Program for certain actions if authority and borrower have entered into settlement agreement.

CURRENT VERSION OF TEXT

As reported by the Assembly Health and Senior Services Committee on December 5, 2019, with amendments.

(Sponsorship Updated As Of: 1/10/2020)

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 ¹obtain 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 **not refer any borrower to**
19 **the Department of the Treasury, Division of Taxation for Set-Off of**
20 **Individual Liability or notify the department and the Division of the**
21 **State Lottery to withhold a borrower's winnings pursuant to section**
22 **5 of P.L.1997, c.306 (C.5:9-13.14) if the authority and borrower**
23 **have entered into a settlement agreement¹ .**

24 ¹c. Notwithstanding any provision of law to the contrary, any
25 entity designated in section 2 of P.L.1978, c.73 (C.45:1-15), or any
26 principal department in the Executive Branch of State government
27 or any division, board, bureau, office, commission, or other
28 instrumentality within or created by such a department, or any other
29 entity created to license or otherwise regulate a profession or
30 occupation, issuing any license, certification, or registration, shall
31 not define a borrower's delinquent or default status on an NJCLASS
32 loan as the basis for the denial, suspension, or revocation of the
33 borrower's professional or occupational license, certification, or
34 registration.¹

35 (cf: N.J.S.18A:71C-29)
36

37 2. This act shall take effect immediately.

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AHE committee amendments adopted December 5, 2019.