

SENATE, No. 2466

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MAY 11, 2020

Sponsored by:

Senator SANDRA B. CUNNINGHAM

District 31 (Hudson)

Senator TROY SINGLETON

District 7 (Burlington)

SYNOPSIS

Requires Higher Education Student Assistance Authority to suspend administrative wage garnishment, certain judicial proceedings, and payments on certain New Jersey College Loans to Assist State Students loans during COVID-19 state of emergency; makes appropriation.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the suspension of certain payments and
2 collection activities under the New Jersey College Loans to
3 Assist State Students Loan Program and making an
4 appropriation.

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

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9 1. a. Notwithstanding the provisions of any law, rule, or
10 regulation to the contrary, upon the effective date of this act and
11 until the termination of the state of emergency under Executive
12 Order No. 103 of 2020 by the Governor, the Higher Education
13 Student Assistance Authority shall suspend principal and interest
14 payments due on a New Jersey College Loans to Assist State
15 Students (NJCLASS) Loan Program loan, if the borrower of the
16 loan demonstrates that he has been adversely impacted by the
17 coronavirus disease 2019 or by actions taken in response to the
18 coronavirus disease 2019. A borrower seeking suspension of
19 principal and interest payments pursuant to this subsection shall
20 submit an application to the authority in accordance with
21 application procedures and requirements prescribed by the
22 authority. The authority shall grant a suspension of principal and
23 interest payments if a borrower is unable to make the payments, or
24 the borrower's ability to make the payments is adversely impacted,
25 due to reasons including, but not limited to, any of the following:

26 (1) the borrower is unemployed or is otherwise not able to work
27 because of a closure of the borrower's place of employment, a
28 closure of the school or place of care of a child of the borrower, or a
29 closure of the place of care of a family member of the borrower in
30 need of the care of the borrower, as a result of the coronavirus
31 disease 2019;

32 (2) the borrower experiences a reduction in work hours, has lost
33 wages, or otherwise experiences financial hardship as a result of
34 coronavirus disease 2019;

35 (3) the borrower is infected with the coronavirus disease 2019 or
36 experiences temporary total disability, as defined pursuant to
37 section 3 of P.L.2016, c.71 (C.18A:71C-31.3), as a result of
38 becoming infected with the coronavirus disease 2019; or

39 (4) the borrower is recommended, directed, or ordered under
40 isolation or quarantine by a licensed healthcare practitioner, the
41 Commissioner of Health, or other public official as a result of the
42 coronavirus disease 2019 or the borrower cares for a family member
43 in quarantine as a result of the coronavirus 2019.

44 Interest on any NJCLASS Loan Program loan, the borrower of
45 which is granted a suspension of principal and interest payments
46 pursuant to this subsection, shall not accrue during the period of
47 non-payment.

48 b. (1) During the period in which principal and interest
49 payments are suspended for NJCLASS Loan Program loan

1 borrowers granted a suspension pursuant to subsection a. of this
2 section, the Higher Education Student Assistance Authority shall
3 ensure that, for the purpose of reporting information about the
4 borrower to a consumer reporting agency, any payment that has
5 been suspended is treated as if it were a regularly scheduled
6 payment made by the borrower.

7 (2) Notwithstanding the provisions of any law, rule, or
8 regulation to the contrary, the authority shall, upon the effective
9 date of this act and until the termination of the state of emergency
10 under Executive Order No. 103 of 2020 by the Governor, consider
11 each payment for which a borrower was granted a suspension
12 pursuant to subsection a. of this section as if the borrower had made
13 a payment for the purpose of payments under the Repayment
14 Assistance Program established pursuant to section 1 of P.L.2019,
15 c.62 (C.18A:71C-31.4), the Household Income Affordable
16 Repayment Plan established pursuant to section 2 of P.L.2019, c.62
17 (C.18A:71C-31.5), and any applicable State student loan
18 redemption or loan forgiveness program in which the borrower may
19 be participating and for which the borrower's NJCLASS Loan
20 Program loan is eligible.

21 c. Notwithstanding the provisions of any law, rule, or
22 regulation to the contrary, the Higher Education Student Assistance
23 Authority shall, upon the effective date of this act and until the
24 termination of the state of emergency under Executive Order No.
25 103 of 2020 by the Governor, suspend collections made against
26 delinquent NJCLASS Loan Program loan borrowers through
27 administrative wage garnishment. The authority shall also suspend
28 the processing of administrative wage garnishment for any
29 NJCLASS Loan Program loan borrower who may become
30 delinquent during the period of time in which the Public Health
31 Emergency and State of Emergency established pursuant to
32 Executive Order No. 103 of 2020 is in place.

33 d. Notwithstanding the provisions of any law, rule, or
34 regulation to the contrary, the Higher Education Student Assistance
35 Authority shall, upon the effective date of this act and until the
36 termination of the state of emergency under Executive Order No.
37 103 of 2020 by the Governor, direct collection counsel contracted
38 by, or otherwise retained by, the authority to seek the suspension of
39 any matters against NJCLASS Loan Program loan borrowers
40 pending before any courts of competent jurisdiction.

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42 2. Upon the effective date of this act and until the termination
43 of the state of emergency under Executive Order No. 103 of 2020
44 by the Governor, there is appropriated from the General Fund to the
45 Higher Education Student Assistance Authority an amount of up to
46 \$17 million per month to effectuate the provisions of this act.

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48 3. This act shall take effect immediately and shall be
49 retroactive to March 9, 2020. This act shall expire upon the

1 termination of the state of emergency under Executive Order No.
2 103 of 2020 by the Governor.

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STATEMENT

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7 This bill provides temporary relief for certain New Jersey
8 College Loans to Assist State Students (NJCLASS) Loan Program
9 borrowers until such time as the state of emergency established
10 pursuant to Executive Order No. 103 of 2020 is terminated.

11 Under the bill, the Higher Education Student Assistance
12 Authority (HESAA) will grant a suspension of principal and interest
13 payments if an NJCLASS loan borrower is unable to make those
14 payments, or if the borrower's ability to make the payments is
15 adversely impacted, due to reasons including, but not limited to:
16 the borrower is unemployed or otherwise not able to work because
17 of a closure of the borrower's place of employment, a closure of the
18 school or place of care of a child of the borrower, or a closure of the
19 place of care of a family member of the borrower in need of care,
20 due to the coronavirus disease 2019; the borrower experiences a
21 reduction in work hours, lost wages, or financial hardship as a result
22 of coronavirus disease 2019; the borrower becomes infected with
23 the coronavirus disease 2019 or experiences temporary total
24 disability as a result of becoming infected with the coronavirus
25 disease 2019; or the borrower is recommended, directed, or ordered
26 under isolation or quarantine by a licensed healthcare practitioner,
27 the Commissioner of Health, or other public official as a result of
28 the coronavirus disease 2019 or the borrower is caring for a family
29 member in quarantine as a result of the coronavirus 2019. During
30 the period of suspension of payments, the bill provides that interest
31 will not accrue on the loan.

32 The bill also requires HESAA to suspend collections made
33 against delinquent NJCLASS borrowers through administrative
34 wage garnishment. HESAA will also suspend the processing of
35 administrative wage garnishment for any borrower who may
36 become delinquent during the period of time in which the state of
37 emergency established pursuant to Executive Order No. 103 of
38 2020 is in place. The bill provides that HESAA will direct the
39 collection counsel that it contracts with, or otherwise retains, to
40 seek a suspension of any matters pending before any courts of
41 competent jurisdiction.

42 Lastly, the bill includes provisions to ensure that: 1) HESAA
43 reports to credit reporting agencies that any payment that has been
44 suspended is treated as if it were a regularly scheduled payment
45 made by the borrower; and 2) any payment that has been suspended
46 is treated as if the borrower had made a payment for the purpose of
47 payments under certain NJCLASS loan relief, redemption, and
48 forgiveness programs.