

SENATE, No. 743

STATE OF NEW JERSEY 217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

Senator JAMES BEACH

District 6 (Burlington and Camden)

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator M. TERESA RUIZ

District 29 (Essex)

Co-Sponsored by:

Senators Madden, Diegnan and Weinberg

SYNOPSIS

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

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(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 authority shall fully discharge the obligation of the student
11 borrower and a parent or guardian who cosigned the loan.

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

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18 2. This act shall take effect immediately.

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STATEMENT

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

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

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