

Loan Interest Rate and Fees – NJCLASS Fixed Rate Program

Your starting interest rate will be between

5.99%

And

8.40%

Your interest rate will be fixed and will be determined based on your repayment option.

Your Starting Interest Rate (Upon Approval)

The starting interest rate you pay will be determined after you apply and will be determined based on the repayment option you select. The starting interest rate is not based upon your personal credit worthiness, choice of school, or other individual factors. Upon approval, the interest rate you selected will appear on the Loan Offer Disclosure.

Your Interest Rate During The Life Of The Loan

Your interest rate is **FIXED**. This means that your rate will not vary with the market; however, NJCLASS reduces the interest rate during school and for the first 12 or 48 monthly payments of principal and interest based on the repayment option you select. This reduction will assist you in repaying more loan principal during these early months when the balance is highest. The result is a lower overall cost to you. Based upon the repayment option you elect, the interest rate increases by 0.75% in either the 13th or 49th month of principal and interest repayment and stays at that rate for the remainder of the loan.

Your interest rate is fixed, and will not vary other than the single adjustment described above; unless you default on your loan.

Loan Fees

The only fee that we charge to make this loan is the Loan Administration Fee of up to 3% of the approved loan amount. This fee is deducted from the loan prior to disbursement. Although HESAA does not currently charge these fees, HESAA reserves the right to charge a late fee of up to 6% of the payment amount and a customary handling charge for returned payments.

Loan Cost Examples

The total amount you will pay for this loan will vary depending upon when you start to repay it and how long it takes to pay the loan in full. These examples provide estimates based upon the repayment options available to you at the time of application.

Repayment Option (while enrolled in school)	Amount Provided (amount disbursed directly to you or your school)	Fixed Interest Rate	Loan Term (how long you have to pay off the loan)	Total Paid (includes Loan Fee)
Shorter loan term and monthly principal and interest payments – Begin repayment within 60 days after the first disbursement	\$10,000	5.99%/6.74%*	10 years Starting at the date of 1 st disbursement	\$13,815.57
Monthly principal and interest payments – Begin repayment within 60 days after the first disbursement.	\$10,000	6.95%/7.70%*	15 years Starting at the date of 1 st disbursement	\$16,943.06
Monthly interest-only payments – Defer principal, and pay only the interest that accrues while in deferment.	\$10,000	6.95%/7.70%*	15years Starting at the date of 1 st disbursement	\$17,735.79
Defer all payments while in school– Accrued interest will be capitalized, if not paid, annually.	\$10,000	8.40%/9.15%**	20 years Starting at the date of 1 st disbursement	\$27,175.46

About this Example: These repayment examples are for a \$10,309.28 NJCLASS loan with a single \$10,000 disbursement and assume that you remain in school for 4 years. This example also assumes payments are made on time. All repayment option examples carry a 3% Loan Administration Fee. For Option 3 (full deferment), the accrued interest has been capitalized annually for the 4 years of deferment. Under all repayment options, the loan's annual interest rate will increase one time by 0.75% beginning with the borrower's 13th or 49th month of repaying the principal and will remain at that rate for the life of the loan.

*Starting Interest Rate/Interest Rate after 48th month of principal and interest payment.

**Starting Interest Rate/Interest Rate after 12th month of principal and interest payment.

Federal Loan Alternatives

Loan Program	Current Interest Rates by Program Type (for loans with a first disbursement date between July 1, 2014 and June 30, 2015)
PERKINS for Students	5.00% Fixed
STAFFORD for Students	Undergraduate: 4.66% Fixed Undergraduate Subsidized and Unsubsidized* Graduate: 6.21% Fixed Graduate Unsubsidized*
PLUS for Parents and Graduate/Professional Students	7.21% Fixed *

You may qualify for Federal education loans.

For additional information, **contact your school's financial aid office or the Department of Education at:**

www.federalstudentaid.ed.gov

*Rates for AY 2015 are based on May 7, 2014 Treasury auction results for 10-year note of 2.612 percent.

Next Steps

Find Out About Other Loan Options.

The NJCLASS Program requires students to borrow their SUBSIDIZED Stafford Loan, if eligible. If you have Subsidized Stafford Loan eligibility and choose not to borrow it, then the school's NJCLASS certification must be reduced by that amount. Students must file a FAFSA so that their eligibility for Stafford and other low-cost or free financial aid can be determined.

To Apply for this Loan, Complete the Application and Self-Certification Form.

NJCLASS offers an online application process. Applying online is the most secure method and will provide an immediate credit decision. During the application process, we will provide you with the Federal Self-Certification Form. To complete this form, you will need the "Cost of Attendance" and your "Expected Financial Assistance" figures. This information can be obtained from the Financial Aid Office at the college for which you are borrowing.

REFERENCE NOTES

Fixed Interest Rate

- Your loan has a fixed interest rate.
- Loans that originate under Full Deferment of all Payments carry a higher interest rate than the other repayment options. Funds available for this repayment option are limited and subject to availability.
- For loans originated under the Full Deferment option, the loan's annual interest rate will increase one time by 0.75% beginning upon whichever occurs first, either the borrower's 13th month of repaying the loan principal or upon default, for the remainder of the life of the loan. If you default on this loan, you will lose the benefit of the interest rate buydown period.
- For loans originated in all other repayment options, the loan's annual interest rate will increase one time by 0.75% beginning upon whichever occurs first, either the borrower's 49th month of repaying the loan principal or upon default, for the remainder of the life of the loan. If you default on this loan, you will lose the benefit of the interest rate buydown period.

Program Information

- Deferments and/or forbearances do not extend the term of the loan. Requesting and receiving a deferment or forbearance will shorten the amount of time available to repay the loan, resulting in higher monthly payments.
- The interest is not subsidized and will accrue daily on the unpaid principal balance during all periods of repayment, deferment and forbearance.
- There is no grace period. Monthly repayment begins immediately upon graduation, attendance of less than half-time, or withdrawal from school.
- There is no prepayment penalty.
- The borrower may cancel this loan any time prior to disbursement, or by returning funds within 60 days of disbursement. If you or the school returns funds within 60 days, we will also reduce your loan balance by the Loan Fee and accrued interest for the portion returned.
- Funds are limited and all repayment options are subject to availability. Submitting an application does not guarantee funding.

Source of Funds

- NJCLASS Loans are funded through the sale of tax-exempt bonds issued by the New Jersey Higher Education Student Assistance Authority (HESAA).

Eligibility Criteria

Student

- US citizen or eligible Non-Citizen
- NJ resident attending an eligible school worldwide
- Non-NJ resident attending an eligible school located in NJ
- Enroll at least half time in a degree or certificate granting program
- Maintain Satisfactory Academic Progress, as defined by your school
- File the FAFSA, and borrow Subsidized Stafford if eligible

Borrowers

- Either the student or parent(s) may borrow
- US citizen or eligible Non-Citizen
- Meet credit and income requirements or a coborrower/cosigner will be required
- Not delinquent or in default on a Federal or State student loan

Co-Signers

- Must be at least 18 years old
- US Citizen or eligible Non-Citizen
- Meet credit and income requirements
- Not delinquent or in default on a Federal or State student loan

Bankruptcy limitations

- If you file for bankruptcy, you may still be required to pay back this loan.

The full Terms and Conditions of this loan are available on our website, and on your Promissory Note, including information about loan repayment, deferment or forbearances. We encourage you to read the Terms and Conditions carefully and to contact us if you have any questions.