

“Adjusted gross income” means total family income reported for Federal income tax purposes.

“Authority” means Higher Education Student Assistance Authority.

“Cohort default rate” means the percentage of Federal Family Education Loan Program (FFELP) and William D. Ford Federal Direct Loan Program (Direct Loan) borrowers who default before the end of the Federal fiscal year following the Federal fiscal year in which they entered repayment on their loans, unless otherwise defined by the United States Department of Education. The United States Department of Education calculates this rate annually to determine the default experience of students who attended a particular school during a particular period of time.

“Commission” or “CHE” means the Commission on Higher Education, a State higher education policy-making agency presided over by a governing board, whose chairman is a member, ex-officio, of the Authority. The Commission’s statutory responsibilities include final administrative decisions over institutional licensure and university status in this State.

“Consolidation loan” means a new NJCLASS loan that discharges previous NJCLASS loans. NJCLASS loan consolidation enables a borrower with several loans to obtain one loan with one repayment schedule, and one interest rate.

“Cosigner” means an individual who signs a promissory note and agrees to repay the loan in the event the borrower does not.

“Delinquency” means a payment on an NJCLASS loan made late. Delinquency begins the first day after the due date of the first missed payment that is not later made. The due date of the first payment is established by the Authority.

“Eligible institution” means a public or private nonprofit institution eligible for Title IV, Higher Education Act of 1965 assistance, approved or licensed by the New Jersey Commission on Higher Education or its equivalent in another state or country and accredited by a nationally recognized accrediting association and having an annual cohort default rate of 20 percent or less. Eligible institution shall also include proprietary institutions eligible for Title IV, Higher Education Act of 1965 assistance and having an annual cohort default rate of 20 percent or less. An eligible institution for purposes of the NJCLASS Variable Rate Program or the NJCLASS Graduate/Professional Students Program shall have a lower cohort default rate threshold, as set forth in N.J.A.C. 9A:10-6.4(c)2. Eligible institution for purposes of the NJCLASS Postgraduate Program means an American Bar Association approved law school, a graduate medical school accredited by the Liaison Committee on Medical Education, the American Osteopathic Association, or the U.S. Department of Education’s National Committee on Foreign Medical Education and Accreditation (NCFMEA), or a graduate dental school ac-

credited by either the American Dental Association or the Commission on Dental Accreditation of Canada.

“In-school period” means the period in which a student is enrolled at an eligible institution on at least a half-time basis as certified by the institution.

“Lender” means Higher Education Student Assistance Authority or its agent for the purposes of this program.

“NJCLASS” means the New Jersey College Loans to Assist State Students Loan Program.

“NJCLASS Graduate/Professional Students Program” means an NJCLASS program targeted for graduate and professional students, whose loans are disbursed on or after June 1, 2006, with eligibility requirements specially tailored for such students, as set forth in N.J.A.C. 9A:10-6.4(c). The provisions governing NJCLASS loans in this subchapter shall apply to NJCLASS Graduate/Professional Students loans unless this subchapter otherwise provides.

“NJCLASS Postgraduate Program” means an NJCLASS program for law, medical, and dental students intended to assist with higher education costs incident to the cost of attendance, such as bar examination and medical and dental residency travel and relocation expenses. The provisions governing NJCLASS loans in this subchapter shall apply to NJCLASS Postgraduate loans, unless this subchapter otherwise provides. The Authority may offer the NJCLASS Postgraduate Program subject to the availability of funding and conditioned on market demand.

“NJCLASS Variable Rate Program” means an NJCLASS program targeted for graduate and professional students, whose loans were disbursed prior to June 1, 2006, with eligibility requirements specially tailored for such students, as set forth in N.J.A.C. 9A:10-6.4(c). The provisions governing NJCLASS loans in this subchapter shall apply to NJCLASS Variable Rate loans unless this subchapter otherwise provides.

“NJCLASS Variable Rate Program” means an NJCLASS Program, initiated in 1997, targeted for graduate and professional students with eligibility requirements specially tailored for such students, as set forth in N.J.A.C. 9A:10-6.4. The provisions governing NJCLASS loans in this subchapter shall apply to NJCLASS Variable Rate loans unless this subchapter otherwise provides.

“Parent borrower” means a parent(s), spouse, legal guardian, or other relative of a dependent undergraduate or graduate student.

“Rehabilitation” (of a defaulted NJCLASS loan) means a process by which a borrower may bring an NJCLASS loan out of default by adhering to specified repayment requirements.

“Student borrower” means an undergraduate or graduate student.

(b) Terms not defined in this section shall be defined in accordance with 34 CFR parts 600, 668 and 682, including all subsequent amendments and supplements thereto.

Amended by R.2000 d.447, effective November 6, 2000.

See: 32 N.J.R. 2192(a), 32 N.J.R. 3987(a).

Rewrote the section.

Amended by R.2002 d.288 and d.291, effective September 3, 2002.

See: 33 N.J.R. 4050(a), 34 N.J.R. 1399(a), 34 N.J.R. 3084(a), 34 N.J.R. 3085(a).

Amended “Eligible institution”.

Amended by R.2006 d.403, effective November 20, 2006.

See: 38 N.J.R. 2967(a), 38 N.J.R. 4865(b).

In definition “Eligible institution”, inserted “or the NJCLASS Graduate/Professional Students Program” and updated N.J.A.C. reference; added definition “NJCLASS Graduate/Professional Students Program”; and in definition “NJCLASS Variable Rate Program” deleted “Program, initiated in 1997” preceding “program”, inserted “, whose loans were disbursed prior to June 1, 2006,”, and updated the N.J.A.C. reference.

**9A:10-6.4 Eligibility for NJCLASS Loan, NJCLASS Variable Rate Loan, NJCLASS Graduate/Professional Students Loan, and NJCLASS Postgraduate Loan**

(a) To be eligible for an NJCLASS loan, each applicant must:

1. Be a citizen, national or legal resident of the United States or be in the United States for other than temporary purposes and intend to become a permanent resident (as evidenced by United States Citizenship and Immigration Services, or its successor agency, documentation);

2. Not owe a grant refund, be in default on a student loan, have a student loan written off as uncollectible, or be in violation of any of the other criteria for determining creditworthiness as outlined in N.J.A.C. 9A:10-6.5;

3. Provide an acceptable cosigner if it is determined by the Authority that one is required; and in the case of any Federal Family Education Loan amount, Federal Direct Loan amount, or any NJCLASS loan amount that previously was canceled due to the applicant’s total and permanent disability, obtain a certification from a physician that the applicant’s condition has improved and that the applicant is able to engage in substantial gainful activity and sign a statement acknowledging that the NJCLASS loan the applicant receives cannot be canceled in the future on the basis of any impairment present when the new loan is made, unless that impairment substantially deteriorates. If the applicant is not the student, and the student had any loan amount described in this paragraph canceled due to the student’s total and permanent disability, the student on whose behalf another borrower is applying for an NJCLASS loan must obtain the physician certification as to the student’s improvement and sign the statement limiting future cancellation on the basis of the student’s present impairment; and

4. Provide at least two references for the borrower, and co-borrower if applicable, and at least two references for the cosigner, and joint cosigner if applicable.

(b) In addition to all of the requirements in (a) above, a student applicant or a student on whose behalf the parent is applying for an NJCLASS loan shall:

1. Be a citizen, national or legal resident of the United States or be in the United States for other than temporary purposes and intend to become a permanent resident (as evidenced by United States Citizenship and Immigration Services, or its successor agency, documentation);

2. Be a permanent resident of New Jersey prior to filing an application; however, residency is not required if enrolled in an eligible institution located in New Jersey, meaning that either the institution maintains a campus or the place of instruction is located in New Jersey;

3. Have a high school diploma or a high school equivalency certificate;

4. Be enrolled or accepted for enrollment on at least a half-time basis in an eligible institution;

5. If currently enrolled in an eligible institution, be determined by the institution to be making satisfactory academic progress;

6. If applying for an NJCLASS loan financed in whole or in part by qualified student loan bonds, as described in section 144(b) of the Federal Internal Revenue Code of 1986, as amended, 26 U.S.C. § 144(b), have met the eligibility criteria described in that section or have not violated any other criteria which would result in the bonds no longer to be qualified under section 144(b) of the Federal Internal Revenue Code of 1986, as amended, 26 U.S.C. § 144(b); and

7. If applying for an NJCLASS loan not financed in whole or in part by qualified student loan bonds, as described in section 144(b) of the Federal Internal Revenue Code of 1986, as amended, 26 U.S.C. § 144(b), have met the eligibility criteria described in this subchapter.

(c) To be eligible for a Variable Rate NJCLASS loan for student borrowers, or an NJCLASS Graduate/Professional Students loan for student borrowers, each student must satisfy the requirements of (b)1, 3 and 6 above as well as the following:

1. Be a permanent resident of New Jersey prior to filing an application; however, residency is not required if enrolled in an eligible institution for purposes of this program that is located in New Jersey, meaning that either the institution maintains a campus or the place of instruction is located in New Jersey;

2. Be enrolled in an eligible institution for purposes of this program, which shall mean an eligible institution of higher education under Title IV, Higher Education Act of