

NJCLASS Originations
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 Trenton, NJ 08625-0538
www.hesaa.org 800-792-8670

Loan Interest Rate and Fees – NJCLASS Fixed Rate Program

Your starting interest rate will be between

6.60%

And

8.00%

Your interest rate will be determined upon the repayment option you select.

Your Starting Interest Rate (Upon Approval)

NJCLASS offers a **FIXED** interest rate. Different repayment options offer different interest rates. Unlike other lenders, NJCLASS **does not** determine your interest rate by your creditworthiness or presence of a cosigner. NJCLASS interest rates are based on the costs of capital and administration of the loan program only.

Your Interest Rate During The Life Of The Loan

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 assists borrowers in repaying more principal during these early months when the loan balance is highest. The result is a lower overall cost to the borrower. In the 13th or 49th month of principal and interest repayment, your interest rate increases by 0.75% 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.

June 2011 - June 2012- The interest rates below are for loans currently being processed and disbursed.

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	6.60%/7.35%	10 years Starting at the date of 1 st disbursement	\$14,044.65
Monthly principal and interest payments – Begin repayment within 60 days after the first disbursement.	\$10,000	7.35%/8.10%	15 years Starting at the date of 1 st disbursement	\$17,178.45
Monthly interest-only payments – Defer principal, and pay only the interest that accrues while in deferment.	\$10,000	7.35%/8.10%	15years Starting at the date of 1 st disbursement	\$17,994.77
Defer all payments while in school– Accrued interest will be capitalized, if not paid, annually.	\$10,000	8.00%/8.75%	20 years Starting at the date of 1 st disbursement	\$26,106.24

About this Example: These repayment examples are for a \$10,204.08 (or \$10,309.28 for full deferment) 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 options carry a 2% Loan Administration Fee, except Full Deferment of all Payments, which is 3%. 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.

NJCLASS interest rates are determined annually, usually in June. We are required to provide this **FEDERALLY MANDATED** example for all loan periods where the NJCLASS Fixed Interest Rate has not yet been determined, such as loans where the first disbursement will occur **after June 2012**. For additional rate information, call 800-792-8670.

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	30%	10 years Starting at the date of 1 st disbursement	\$32,061.60
Monthly principal and interest payments – Begin repayment within 60 days after the first disbursement.	\$10,000	30%	15 years Starting at the date of 1 st disbursement	\$46,463.40
Monthly interest-only payments – Defer principal, and pay only the interest that accrues while in deferment.	\$10,000	30%	15 years Starting at the date of 1 st disbursement	\$47,263.08
Defer all payments while in school – Accrued interest will be capitalized, if not paid, annually.	\$10,000	30%	20 years Starting at the date of 1 st disbursement	\$145,389.16

About this Federally Mandated Example: These repayment examples are for a \$10,204.08 (or \$10,309.28 for full deferment) 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 options carry a 2% Loan Administration Fee, except Full Deferment of all Payments, which is 3%. For Option 3 (full deferment), the accrued interest has been capitalized annually for the 4 years of deferment.

Federal Loan Alternatives

Loan Program	Current Interest Rates by Program Type
PERKINS for Students	5.0% Fixed
STAFFORD for Students	3.4% Fixed Undergraduate Subsidized 6.8% Fixed Undergraduate Unsubsidized & Graduate
PLUS for Parents and Graduate/Professional Students	7.9% Fixed, 4% Origination Fee

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

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 have a 3% Loan Administration Fee and carry a higher interest rate than the other repayment options, for the life of the loan. 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 repayment options are subject to availability. Submitting an application does not guarantee funding.
- Students who will graduate within 12 months of their loan term begin date may not receive the full deferment repayment option.

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.