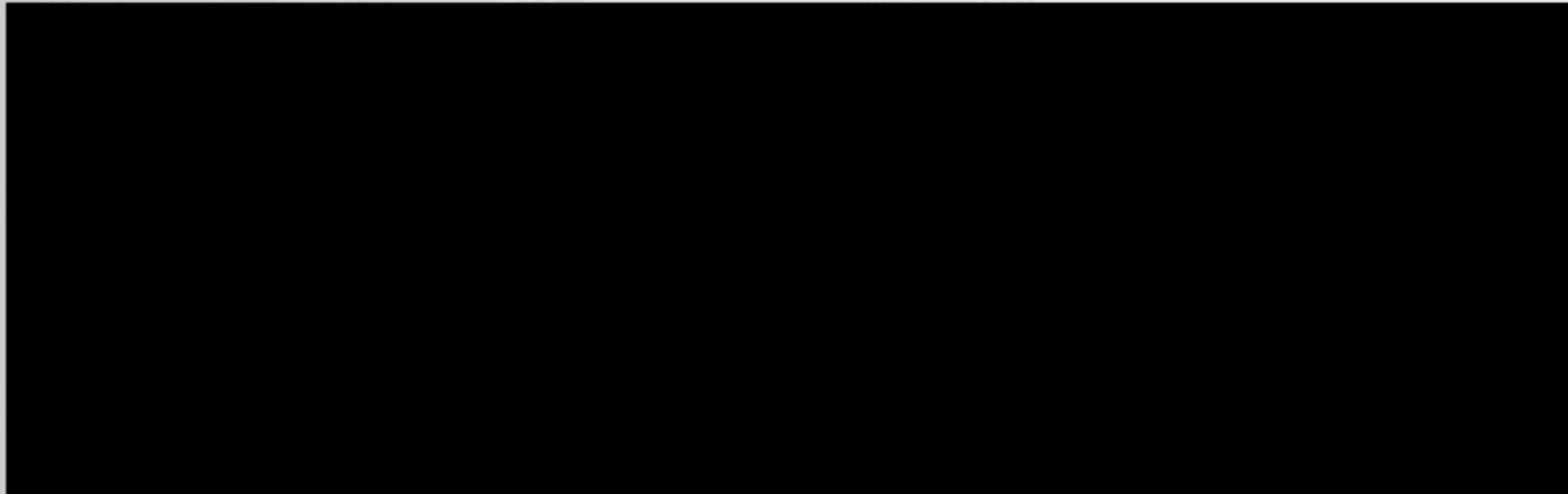


From: Robert Laird/SECO/HESAA
To:



Cc: Russell Archer/SECO/HESAA@HESAA
Date: 06/13/2013 01:53 PM
Subject: NJC Loan Forgiveness Requests (Borrower passed away while in school only)



FYI.....

Technically, NJ Class does not have a loan forgiveness for student/student borrowers who died while in school. Regulations state cosigner or coborrower becomes the next responsible party and they are required to remit pmt. Cosigners/Co-borrowers are eligible to apply for financial hardship if the borrower died.

However, Exec Management reviews loan forgiveness for student/student borrowers who died while in school.

Died while in School:

If student borrower passes away **WHILE** enrolled in school, cosigners (co-borrowers/joint cosigners) **automatically** become the next responsible party to remit payment. Occasionally, we do receive requests for Loan forgiveness due to death of a student/student borrower. If a cosigner wants to apply for Loan Forgiveness, advise the cosigner of the following

- Terms and Conditions state upon death of a borrower, the cosigner automatically become the next responsible party on the loan.
- Student or Student Borrower had to be enrolled in school at least half time or full time at the time of death.

- Office will send letter explaining the process. I will explain what the letter entails below. Russ sends the letter.
- No guarantees that debt will be forgiven. Also, any debt that is forgiven is considered taxable income and 1099 is mailed when all others are mailed in January.

Once we receive a request for Loan Forgiveness (while borrower was in school), Russ sends out a letter explaining the following:

- Condolences on the loss of the borrower.
- Cosigners (or co-borrowers) are responsible to pay the debt, points them to their signed agreement.
- If wants to apply for loan forgiveness, complete the attached documents and return to the office. Additional information may be requested.
- All loan forgiveness decisions are made by Executive Staff only.

There is no set time limit on the reviews either. It can take several weeks or longer. Additional docs may be requested at any time during the review period

Only advise the cosigner/coborrower about loan forgiveness when asked. All NJClass Loan Forgiveness requests are handled by Ex Management once all requested documents are received.

NO LOAN FORGIVENESS will be considered when the student borrower passed away after graduation. Cosigners/Co-borrowers are eligible for hardship relief under the regulations.

Thanks

Robert Laird
Program Officer
Servicing & Collections
NJ Higher Education Student Assistance Authority
609-584-4488 Fax: 609-588-7285