

## NEW JERSEY PAY IT FORWARD LOAN PROGRAM TERMS OVERVIEW

Thank you for your interest in the New Jersey Pay It Forward Loan Program. In this document, you will find key information about this program's terms, conditions, and policies. Please carefully review this document, as well as the disclosures and promissory note you will receive from our loan origination partner, Funding University, Inc. ("Funding U").



### Loan Eligibility

- In order to qualify for the New Jersey Pay It Forward ("NJ PIF") loan, interested individuals must meet all of the following criteria:
  - Enrolled in an Eligible Program (i.e., pre-approved training program);
  - Authorized to work in the United States;
  - Aged 18 or older;
  - Not attained a US degree equal to or higher than a master's degree;
  - Resident of New Jersey OR "NJ Dreamers" with undocumented immigration status who meet the eligibility criteria for New Jersey State-funded student assistance pursuant to N.J.S.A. 18A:71B-2.1;
  - Not in active bankruptcy or have any loans in active collections (excluding medical debts) in excess of \$15,000;
- And at least one of the following:
  - Individual's income during past 12 months was equal to or below \$65,000; OR
  - Individual has received within the past six months TANF, SNAP, SSI, or other public assistance; OR
  - Is a Veteran; OR
  - Is formerly incarcerated

### Loan Terms

- Each academic year, eligible individuals are able to receive **one** loan at an amount up to the lesser of:
  - The difference between your program's Tuition and Fees and your Estimated

Financial Assistance for the academic year, **and**

- \$25,000.
- Borrowers can apply for only **one loan per academic year** and therefore the loan amount requested should cover funding needs for all terms (fall, spring and summer) during the academic year in which you will be enrolled in the program.
- The minimum loan amount is \$2,000 per academic year.
- The maximum loan amount is \$25,000 per academic year.
  - Loan eligibility and amount vary by student. Your financial aid office can help determine your allowable loan amount for the academic year based on your individual financial situation.
- NJ PIF loans have an interest rate of 0%. You will never repay more than the amount you borrowed. No interest is charged, and you are not responsible for any loan origination fees.
- NJ PIF loans have a maximum repayment duration of 5 years. You can repay your loan in full in less than 5 years with no penalty. At the end of five years, any outstanding balance on loans in good standing will be forgiven.
- You will not have to repay the living stipends or the cost of supportive services you have received under the NJ Pay It Forward Program.
- **All loan repayments that you make are recycled so that the NJ Pay It Forward Program can provide loans, living stipends, financial hardship assistance, and mental health support to future students like you.**

## Supportive Services

NJ PIF loan recipients also have access to a full range of supportive services designed to help you succeed during your training including living stipend grants, financial hardship assistance grants, and mental health services.

- **Living Stipend Grants:** Any student who is actively enrolled in an approved NJ PIF training program and is receiving a certified NJ PIF loan is eligible to opt-in to receive a monthly living stipend grant up to \$500 for full-time and \$375 for part-time programs during their financed training. Recipients can use the funds to cover any expenses they choose and are not required to make any repayments on any living stipend amounts.
- **Financial Hardship Assistance Grants:** Actively enrolled NJ PIF borrowers will also have access to a Financial Hardship Assistance Fund during their training period. NJ PIF students can apply for up to a total of \$3,000 per academic year, resetting on September 1<sup>st</sup> of each year. Recipients are not required to make any repayments on any financial hardship assistance stipend amounts and can use the funds to cover any unexpected hardship or crisis or emergency related to:
  - Emergency dependent care
  - Food insecurity

- Overdue rent/mortgage payment or housing displacement
- Unforeseen, uncovered medical expense (student or immediate family member)
- Unforeseen, uncovered technology expenses
- Unforeseen, uncovered transportation expenses
- Utility shut-off
- Legal assistance
- **Mental Health Services:** The New Jersey Pay It Forward Program is partnering with BetterHelp, a national online mental health services provider, to offer NJ PIF students access to up to three months of mental health support per year at no cost to the student. During their membership, the student can schedule up to 12 one-hour live virtual therapy sessions, offered by video or phone call, with their therapist. Students can also access asynchronous messaging with their therapist throughout their three-month membership.

For more information on supportive services provided by NJ Pay It Forward Program, go to <https://socialfinance.org/for-current-nj-pay-it-forward-students/>.

## Applying for the Loan

- If you believe you are eligible and are interested in applying for a NJ PIF loan, you must reach out to your school's financial aid office to schedule and attend a financial counseling session.
- New Jersey Pay It Forward Loan Program loans are originated by Funding U.
- You can apply for this loan on Funding U's website, using a link and a unique Loan Application ID provided to you via email by the financial aid office at your school following your required financial counseling session.
- Credit Reports: When you apply, Funding U will obtain one soft credit pull from one of the three (3) leading consumer credit bureaus/repositories in order to prequalify your application. Should you successfully prequalify and thereafter choose to fully submit the application, Funding U will then obtain one hard credit pull to confirm you are not in active bankruptcy or have any loans in active collection (excluding medical debts) in excess of \$15,000. Please note there is NO minimum FICO score required to be eligible.
- Funding U will communicate with you regarding the status of your loan application. If approved, they will disburse your loan funds to your educational institution.
- For questions about your loan application, please contact Funding U at [info@funding-u.com](mailto:info@funding-u.com) or call 855-537-5457.
- All loan terms and costs are detailed in the Application and Solicitation Disclosure, the Approval Disclosure, and the Final Disclosure in accordance with the Truth in Lending Act (Regulation Z).

## Key Repayment Information

- New Jersey Pay It Forward Loan Program loans will be serviced by the Missouri Higher Education Loan Authority (MOHELA) or one of its related entities.
- You must create an account with MOHELA on the loan servicing portal. You will receive an email from MOHELA following your loan certification that will contain instructions to create your account.
- MOHELA will communicate with you regarding all repayment obligations, and you will be responsible for remitting payments and submitting required documentation via your loan servicing portal to MOHELA.
- Before your first payment is due, you will receive an email or paper bill in the mail from MOHELA informing you of your payment amount due and payment due date.
- You can enroll in Auto Pay to ensure you never miss a loan payment and protect against the possible negative impacts to your credit score. Additionally, you will receive a one-time \$100 credit applied to your principal balance for enrolling in Auto Pay. To enroll in Auto Pay, visit the borrower portal at [nipayitforward.mohela.com](http://nipayitforward.mohela.com).
- For questions about loan repayment, contact MOHELA at 888-212-5908 (toll free) between 8am–9pm ET Monday through Thursday and 8am–6pm ET on Friday.
- If you cannot make your monthly payment, you can apply for deferment or forbearance to remain in good standing by contacting MOHELA. If you are earning less than the minimum income threshold (calculated as \$12,000 per year above 150% of the annual federal poverty guideline for your household size), per year, you can apply for income-based deferment and, if approved, have no monthly repayment obligation. The federal poverty guideline can be found here: <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.
- If you are approved for a deferment or forbearance, you must reapply for deferment or forbearance at regular intervals specified in your promissory note or your monthly repayment obligation will resume.
  - If you do not make your required payment and you are not currently in an approved deferment or forbearance period, MOHELA, or one of its related entities, will report your delinquency or default to credit bureaus and your credit score and history will be negatively impacted. Additionally, you will become ineligible for loan forgiveness until you bring your account current.
  - MOHELA will call, email and text you with reminders if you do not make your required payment and you are not currently in an approved deferment or forbearance period.

### Grace Period

- You are not required to make payments while in school or during the 90-day **grace period** which begins on the day following the date of exit from the program (i.e., graduation, withdrawal, or dismissal, whichever occurs first).

## Income Documentation

- You are **required to upload documentation of your income** (if employed) or receipt of unemployment benefits (if unemployed) **before the end of your grace period and** annually on or before April 30<sup>th</sup> each year and **every time your income changes** during your loan repayment period.
- You must complete this income documentation process even if your income is below the minimum income threshold or if you are unemployed.
- To apply or reapply for unemployment or underemployment deferment, you are also required to submit income documentation.
- Acceptable forms of income documentation include:
  - Paystub or wage statement
  - W2 form
  - Tax filings
  - Bank statements
  - Employer letter verifying employment and income.
  - Proof of receiving unemployment benefits
  - Signed and notarized attestation of unemployment
- To upload income documentation, log in on the MOHELA borrower portal at [nipayitforward.mohela.com](http://nipayitforward.mohela.com) and navigate to the “Upload Documents” page.

## Monthly Repayment Amount

- Your monthly repayment amount is based on your income after exiting training. Your payment amount will be 10% of your discretionary income each month. Discretionary income is the amount you earn above 150% of the annual poverty guideline for your household size, which can be found at <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.
- If your income falls below a certain level (the minimum income threshold), you can apply for unemployment/underemployment deferment.
- Your household size affects your repayment amount. Your household includes you, your spouse or domestic partner, and your dependents, excluding roommates. Be sure to update your household size if it changes by visiting the MOHELA borrower portal at [nipayitforward.mohela.com](http://nipayitforward.mohela.com).
- To estimate your monthly payments based on your expected income after training, check out the estimated monthly repayment table on the [NJ PIF website](#).