

Authorized By: Shawn M. LaTourette, Commissioner, Department of Environmental Protection.

Effective Dates: January 30, 2024, Readoption;
March 4, 2024, Technical Change.

New Expiration Date: January 30, 2031.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, the rules governing the processing of damage claims pursuant to the Sanitary Landfill Facility Closure and Contingency Fund Act at N.J.A.C. 7:11 were scheduled to expire on June 20, 2024. The Department of Environmental Protection (Department) has reviewed these rules and has determined that the rules should be readopted because they are necessary, reasonable, and proper for the purpose for which they were originally promulgated. In accordance with N.J.S.A. 52:14B-5.1.c(1), timely filing of this notice extended the expiration date of the chapter seven years from the date of filing.

N.J.A.C. 7:11 constitutes the rules of the Department concerning the processing of all claims pursuant to the Sanitary Landfill Facility Closure and Contingency Fund Act, N.J.S.A. 13:1E-100 et seq. (the Act), for damages proximately resulting from the improper operation or improper closure of a sanitary landfill facility, pursuant to the Act, including Department procedures for review and decision-making regarding such claims. The rules implement the purposes and objectives of the Sanitary Landfill Facility Closure and Contingency Fund Act, N.J.S.A. 13:1E-100 et seq.; establish rules for administration of the Sanitary Landfill Facility Contingency Fund (Fund), established pursuant to the Act, for the purpose of providing prompt and adequate compensation for damages as defined herein; and protect and ensure that the taxes credited to the Fund are spent in a proper manner and for the intended purposes.

The rules are readopted with a technical change to correct a grammatical error. The existing rule at N.J.A.C. 7:11-1.1(b)3 incorrectly uses the word “insure,” rather than “ensure.”

Full text of the technical change follows (addition indicated in boldface **thus**; deletion indicated in brackets [thus]):

SUBCHAPTER 1. GENERAL PROVISIONS

7:11-1.1 Purpose and scope

(a) (No change.)

(b) This chapter is promulgated for the following purposes:

1.-2. (No change.)

3. To protect and [insure] **ensure** that the taxes credited to the Fund are spent in a proper manner and for the intended purposes.

HIGHER EDUCATION

(a)

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

Student Loan and College Savings Programs

Readoption with Amendments: N.J.A.C. 9A:10

Adopted Repeal and New Rule: N.J.A.C. 9A:10-6.18

Adopted Repeals: N.J.A.C. 9A:10-1 and 2.7

Proposed: October 16, 2023, at 55 N.J.R. 2161(a).

Adopted: January 17, 2024, by the Higher Education Student Assistance Authority, Christy Van Horn, Chairperson.

Filed: January 29, 2024, as R.2024 d.013, **without change**.

Authority: N.J.S.A. 18A:71A-1 et seq., 18A:71B-35 through 46, 18A:71B-96, 18A:71C-1 through 31, 18A:71C-49, and 18A:71C-57; and 20 U.S.C. §§ 1071 et seq.

Effective Dates: January 29, 2024, Readoption;
March 4, 2024, Amendments, Repeals, and New Rule.

Expiration Date: January 29, 2031.

Summary of Public Comments and Agency Responses:

The comment period officially ended on December 15, 2023. During the comment period the Higher Education Student Assistance Authority (“HESAA” or “Authority”) received comments from Julie Bond, MA, LMFT; Megan Coral, MS, LMFT, ASDCS, ADHD-CCSP; Vanessa Da Silveira, M.A., LAMFT, YDC Trilingual Clinician; Lavern Depeine, MS, LMFT, Founder, Family and Parenting Matters; Catherine Eskander, LAMFT; Jaime Gilmore, MA, LMFT, President of New Jersey Association for Marriage and Family Therapy (NJAMFT); Martha S. Rinehart, PhD, LMFT; James Verser, M.Div., MS, Ed.S., Retired Marriage and Family Therapist; Jeanette Williams, MS, LMFT, Clinical Director, AAMFT Approved Supervisor, Deeper Change: Personal Growth, Therapy & Counseling Group LLC. The comments, along with the Higher Education Student Assistance Authority’s responses, are summarized below.

1. COMMENT: All of the commenters request that licensed marriage and family therapists (LMFT) and licensed associate marriage and family therapists (LAMFT) be eligible for the Behavioral Healthcare Provider Loan Redemption Program (the Program). Julie Bond, Megan Coral, and Jaime Gilmore state that LMFTs and LAMFTs are both regulated by the State Board of Marriage and Family Therapy Examiners (the State Board), which is the same licensing board that regulates licensed professional counselors (LPCs), licensed associated counselors (LACs), and licensed clinical alcohol and drug counselors (LCADCs), and the commenters note that LPCs, LACs, and LCADCs are eligible for the Behavioral Healthcare Provider Loan Redemption Program. Julie Bond and Jaime Gilmore state that LMFTs hold a prominent position on the State Board, and that LMFTs treat a variety of mental health challenges, including conducting risk assessments for self-harm and other safety concerns. Jaime Gilmore adds that marriage and family therapists perform the same work as other licensed mental health professionals, and augments her request by highlighting the number of New Jersey residents experiencing symptoms of anxiety and depression. Jaime Gilmore adds that LMFTs/LAMFTs oftentimes decline potential new clients because their schedules are already full, something Lavern Depeine states as well. Megan Coral adds that LMFTs are responsible for submitting the same documentation as other eligible behavioral healthcare providers, and that insurance companies view them as the same profession.

Vanessa Da Silveira, Lavern Depeine, and Catherine Eskander state that LMFTs should be eligible for the Program because they treat mental health issues affecting families from various cultural and socio-economic backgrounds. Vanessa Da Silveira states that she works with underprivileged children, and that her ability to speak English, Spanish, and Portuguese has increased the demand for her services. Lavern Depeine adds that the number of individuals seeking therapy has only increased since the COVID-19 pandemic, and Catherine Eskander highlights that LMFTs oftentimes work in underserved communities. Both Lavern Depeine and Catherine Eskander express that healthier families and communities equal a healthier society overall, both now and in the future.

James Verser states that LMFTs and LAMFTs have been licensed to treat a variety of serious mental health concerns for far longer than other mental health professionals in the State of New Jersey. James Verser explains that LMFTs became licensed to practice in New Jersey in 1969 whereas, licensed clinical social workers only became licensed to practice in New Jersey in 1991 and licensed professional counselors only became licensed to practice in 1997.

Jaime Gilmore provided the results of the survey sent to New Jersey Association for Marriage and Family Therapy members regarding where they currently work.

RESPONSE: HESAA appreciates these comments and agrees that LMFTs and LAMFTs provide critical services to New Jersey residents. However, although the appropriation for the Program is generous, it is limited and cannot fund benefits for all behavioral healthcare providers in the State. Rather, the Program is designed to address the most severe shortages of behavioral healthcare providers, which the Legislature determined to be in the following fields: and psychiatrists, psychologists, licensed clinical social workers, psychiatric nurse mental health clinical specialists; board certified behavior analysts; and licensed clinical alcohol and drug counselors. Even narrowed to these occupations, the Fiscal Year

2024 appropriation will fund less than 2.5 percent of the providers who applied for the Program. Therefore, to select Program participants the Authority is scoring Fiscal Year 2024 applications using, among other criteria, New Jersey Department of Labor and Workforce Development (NJDOL) data that projects which occupations/job titles are in the most demand and identifies the geographic locations within New Jersey that have the greatest need for behavioral healthcare providers in each occupation. While the Legislature granted the Executive Director of the Authority the discretion to identify additional fields for Program inclusion, the onus shifts to the members of an unlisted behavioral healthcare occupation to demonstrate to the Executive Director that there is a shortage of providers in their specific field based on the NJDOL data.

The commenters have not provided any analysis of authoritative labor market data as evidence of a more severe workforce shortage that would justify adding a financial incentive for marriage and family therapists providers to serve as community providers of behavioral healthcare.

The Industry and Occupation Employment Projections published by the New Jersey Department of Labor and Workforce Development at: <https://www.nj.gov/labor/labormarketinformation/employmentwages/industry-occupational-projections/>, show that marriage and family therapy is a stable occupation because it does not exhibit labor market demand that is as high as other providers included in the Program. By 2030, NJDOL projects that there will be a 3.2 percent reduction in the number of marriage and family therapists employed in New Jersey. By contrast, all other behavioral health care occupations included in the Program are projected to experience an increase or remain at the same levels. Therefore, HESAA declines to adopt the commenters' suggestions to add licensed marriage and family therapists and licensed associate marriage and family therapists as eligible behavioral healthcare providers in the Program.

Federal Standards Statement

A Federal standards analysis is not required for the rules administering the Social Services Student Loan Redemption Program, Nursing Faculty Loan Redemption Program, STEM Loan Redemption Program, Loan Redemption Program for Teachers in High Needs Fields Employed in Low-Performing Schools, and Behavioral Healthcare Provider Loan Redemption Program since the readopted rules with amendments, a new rule, and repeals for these programs are not subject to any Federal requirements or standards.

A Federal standards analysis is not required for the readopted rules as amended, the adopted new rule, or the repeals administering the NJCLASS Program because the subject matter of this State student loan program is not subject to any Federal student loan requirements or standards, except for the standards for tax-exempt bonds, section 144(b) of the Federal Internal Revenue Code. NJCLASS loans funded by tax-exempt bonds are administered to qualify pursuant to the standards of section 144(b) of the Federal Internal Revenue Code, not to exceed the standards of that section.

The rules readopted with amendments, a new rule, and repeals for the administration of the NJBEST Program are not intended to exceed, but rather implement, the statutory requirements for a state college savings program to receive favorable Federal tax treatment pursuant to section 529 of the Federal Internal Revenue Code of 1986, 26 U.S.C. § 529, and are consistent with administrative guidance from the Internal Revenue Service. Therefore, a Federal standards analysis is not required.

Full text of the readopted rules can be found in the New Jersey Administrative Code at N.J.A.C. 9A:10.

Full text of the adopted amendments and new rule follows:

SUBCHAPTER 1. (RESERVED)

SUBCHAPTER 2. SOCIAL SERVICES STUDENT LOAN REDEMPTION PROGRAM

9A:10-2.7 (Reserved)

SUBCHAPTER 6. THE NEW JERSEY COLLEGE LOANS TO ASSIST STATE STUDENTS (NJCLASS) PROGRAM: POLICIES AND PROCEDURES

9A:10-6.1 Purpose

The purpose of this subchapter is to provide guidance on the implementation of the New Jersey College Loans to Assist State Students (NJCLASS) Program, a State student loan program intended to supplement the Federal Direct Loan Program and make State sponsored student loans available to students who cannot obtain Federal Direct Loans, either because those loans are not available, because the student does not meet the program eligibility requirements as defined by the Federal government, because the student has additional financial need unmet by Federal Direct Loans, or because the NJCLASS program may offer more affordable interest rates and fees than Federal Direct Unsubsidized Loans. In the NJCLASS Program, the Authority issues bonds, notes, or another form of debt instrument, and with the proceeds of that issuance, funds student loans and either directly or through an agent serves as lender and servicer of the loans. As funding for the NJCLASS Program is not backed by a Federal guarantee, funding sources are safeguarded by requiring as key elements of borrower eligibility for this State program that the borrower either be creditworthy or not have adverse credit.

9A:10-6.3 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

“Annual income” means the applicant’s income as reported on the application for an NJCLASS Loan Program Loan, or NJCLASS Consolidation Loan or Refinance Loan. Annual income is subject to verification by the Authority through documentation including, but not limited to, Internal Revenue Service tax return transcripts and pay stubs.

...

“Cohort default rate” means the percentage of William D. Ford Federal Direct Loan Program (Direct Loan) borrowers who default by the end of the second 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.

...

“Delinquency” means a payment on an NJCLASS Loan Program loan, NJCLASS Consolidation Loan, or Refinance 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 OSHE, or its equivalent, in another state or country and accredited by a nationally recognized accrediting association and having an annual cohort default rate of 25 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 25 percent or less. An eligible institution for purposes of the NJCLASS Graduate/Professional Students Program shall have a lower cohort default rate threshold, as set forth at N.J.A.C. 9A:10-6.4(c)2.

...

“HIARP” means the Household Income Affordable Repayment Plan, with eligibility requirements set forth at N.J.A.C. 9A:10-6.11(i), that provides repayment relief for Standard NJCLASS Loan borrowers who have exhausted their eligibility for RAP and continue to face economic hardship.

...
 “NJCLASS Loan Program” means the New Jersey College Loans to Assist State Students Loan Program and encompasses all loans offered under the NJCLASS name, except for the NJCLASS Consolidation Loan and the Refinance Loan.

“OSHE” means the Office of the Secretary of Higher Education, a State higher education policy-making agency presided over by the Secretary of Higher Education who is a member, ex-officio, of the Authority Board. OSHE’s statutory responsibilities include final administrative decisions over institutional licensure and university status in this State.

...
 “RAP” means the Repayment Assistance Program, with eligibility requirements set forth at N.J.A.C. 9A:10-6.11(h), which provides two years of repayment relief for Standard NJCLASS Loan borrowers facing economic hardship.

“Refinance Loan” means a new loan that pays off one or more previous NJCLASS Loan Program loans, NJCLASS Consolidation Loans, Federal Parent PLUS loans, and qualified private student loans. Refinance Loans enable a borrower with one or more existing loans to obtain one loan with one repayment schedule and one interest rate.

“Rehabilitation” (of a defaulted NJCLASS loan) means a process by which a borrower may bring an NJCLASS Loan Program loan, an NJCLASS Consolidation Loan, or a Refinance Loan out of default for the limited purposes of meeting the requirements of Title VI of the Federal Economic Growth, Regulatory Relief, and Consumer Protection Act, Pub. L. 115-174, by adhering to specified repayment requirements.

...
 “Totally and permanently disabled” means the condition of any individual who: has been determined by the United States Secretary of Veterans’ Affairs to be unemployable due to a service-connected disability; is eligible for Social Security Disability Insurance or Supplemental Security Income and whose next scheduled disability review will be five to seven years or more from the date of the individual’s last Social Security Administration disability determination; or is unable to work and earn money or attend school because of any medically determinable physical or mental impairment, as certified by a doctor of medicine or a doctor of osteopathy who is legally licensed to practice in the United States, that is expected to result in death, has lasted for a continuous period of not less than 60 months, or can be expected to last for a continuous period of not less than 60 months.

...
 9A:10-6.4 Eligibility for the NJCLASS Loan Program

- (a) To be eligible for a Standard NJCLASS loan, each applicant must:
- 1.-2. (No change.)
 3. Provide an acceptable cosigner if it is determined by the Authority that one is required; and in the case of any Federal Direct Loan amount, or any NJCLASS Loan Program loan, Refinance Loan, or NJCLASS Consolidation 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 Standard 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 or cosigner is applying for a Standard 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. (No change.)
 - (b) (No change.)
 - (c) To be eligible for an NJCLASS Graduate/Professional Students loan for student borrowers, each student must satisfy the requirements at (b)1, 3, 4, and 6 above, as well as the following:
 1. (No change.)
 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 1965, and accredited by a nationally recognized accrediting association that is licensed by OSHE, or its equivalent, in another state or country with a cohort default rate of 15 percent or less;

- 3.-5. (No change.)
- (d) (No change.)

9A:10-6.6 Loan amounts

(a) The amount borrowed for an NJCLASS Loan Program loan shall not exceed a student’s estimated cost of attendance at the eligible institution minus all other financial assistance for which the student is eligible for the academic period for which the loan is intended. This means that an eligible institution shall determine a student borrower’s loan amount eligibility for Federal Direct loans prior to determining a student borrower’s loan amount eligibility for an NJCLASS Loan Program loan. This eligibility determination excludes eligibility for Federal Direct PLUS loans.

1. When establishing the maximum annual loan amount for a student borrower, the authority shall deduct the maximum amount of Federal Direct Subsidized Loans available to the student from the available NJCLASS loan amount. If the available interest rate for Federal Direct Unsubsidized Loans is lower than the interest rates available to the student under the NJCLASS Loan Program, the authority shall deduct the maximum amount of Federal Direct Unsubsidized Loans available to the student from the available NJCLASS loan amount. The authority may deduct the maximum amount of Federal Direct Unsubsidized Loans available to the student from the available NCLASS loan amounts when Federal borrower benefits are more advantageous to the student.

(b) In the case of a student who first borrows an NJCLASS Loan Program loan after August 7, 2017, the effective date of P.L. 2017, c. 198, the maximum total NJCLASS Loan Program loan amount that may be made for the benefit of that student shall not exceed the borrowing cap. The borrowing cap was set at \$150,000 in 2017 and shall be increased for each academic year over the prior year by the regression-based index value of the Higher Education Price Index published at <https://www.commonfund.org/higher-education-price-index>.

9A:10-6.7 Application procedures, disbursement, and students who transfer

(a) To borrow under the NJCLASS Loan Program, after the student has applied for Federal financial aid using the approved Federal application, the process shall be, as follows:

- 1.-2. (No change.)
- (b)-(c) (No change.)
- (d) The method of disbursement is determined by an eligible institution. Loan proceeds may be disbursed by individual check, master check, or by electronic means, such as Electronic Funds Transfer (EFT). Funds disbursed by individual check to a student borrower shall be made payable to the eligible institution, sent directly to the school and may be multiply disbursed. Funds disbursed by individual check to a parent borrower shall be made payable to the parent borrower and may be multiply disbursed. If the Authority issues an individual NJCLASS Loan Program check, and the student is enrolled in a study-abroad program approved for credit and if the student requests, the loan check may be made payable to the student only.
- (e) (No change.)

9A:10-6.11 Repayment of loan

- (a)-(c) (No change.)

(d) For loans made after August 3, 1998 that are not enrolled in RAP or HIARP, the minimum acceptable monthly payment shall be the amount required to fully repay an NJCLASS Loan Program loan in the maximum repayment period; however, the minimum acceptable monthly payment of principal and interest shall not be less than \$50.00 per borrower for all of that borrower’s NJCLASS Loan Program loans. The minimum acceptable monthly payment for borrowers in an interest only repayment status shall not be less than \$10.00 per loan.

(e) Notwithstanding any periods of deferment and/or forbearance, unless the loan is enrolled in HIARP, NJCLASS Loan Program loans shall be paid in full within the amount of years from the date of first disbursement as specified in the NJCLASS Application, Promissory Note,

and disclosures. The amount of years in which a loan is to be repaid is determined by the indentures for the bonds or notes whose proceeds are funding the loan.

(f)-(g) (No change.)

(h) Subject to the limits of funding made available in the applicable bond indentures, borrowers are eligible for RAP if they are facing an economic hardship as set forth at (h)3 below.

1. Pursuant to the RAP monthly Standard, NJCLASS Loan payments are reduced to an amount equal to 10 percent of the total of the aggregate household income of all of the parties to the loan that exceeds 150 percent of the Federal poverty guidelines, with a minimum monthly payment of \$5.00. The result of this calculation is the "RAP monthly payment amount."

2. Borrowers are eligible to participate in RAP for a period not to exceed two years, during which the Authority shall pay the interest on the NJCLASS loan at the stated loan rate and the payments made by the borrower shall be applied to reduce the principal balance of the loan. At the end of the borrower's participation in RAP, the new monthly repayment amount shall be recalculated based on the remaining principal balance of the loan, interest accruing thereon at the original stated loan rate, and the remaining length of the original term to repay the loan.

3. For purposes of RAP, borrowers are determined to be facing an economic hardship if the monthly amount required to pay their Standard NJCLASS loans is higher than the RAP monthly payment amount.

(i) Subject to the limits of funding made available in the applicable bond indentures, borrowers are eligible for HIARP if they have exhausted their eligibility for RAP and are facing an economic hardship, as defined at (i)6 below.

1. Pursuant to the HIARP monthly standard, NJCLASS Loan payments are reduced to an amount equal to 15 percent of the total of the aggregate household income of all of the parties to the loan that exceeds 150 percent of the Federal poverty guidelines, with a minimum monthly payment of \$25.00. The result of this calculation is the "HIARP monthly payment amount."

2. When a borrower enters HIARP, the repayment term for a Standard NJCLASS Loan in the plan shall be extended to 25 years from the date of origination. Interest shall continue to accrue on the Standard NJCLASS Loan while in repayment under the plan at the original loan rate. Any remaining balance at the end of 25 years shall be forgiven.

3. To remain enrolled in HIARP, all parties to the Standard NJCLASS Loan shall provide the authority with annual income certification, including documentation necessary to verify income.

4. If the parties to the Standard NJCLASS Loan no longer qualify for participation in HIARP, the repayment term shall remain at 25 years and the monthly repayment amount shall revert to the standard monthly payment. Unpaid interest shall be capitalized upon return to the standard monthly payment.

5. For purposes of HIARP, standard monthly payments are the amount calculated by the Authority at the time the parties enter HIARP, by capitalizing all unpaid interest and amortizing the remaining loan balance over the remaining original loan repayment term.

6. For purposes of HIARP, borrowers are determined to be facing an economic hardship if the monthly amount required to pay their Standard NJCLASS Loans is higher than the HIARP monthly payment amount.

9A:10-6.13 NJCLASS Consolidation Loan Program

(a)-(b) (No change.)

(c) Only NJCLASS Loan Program loans in monthly repayment of principal and interest are eligible for consolidation into an NJCLASS Consolidation Loan. Refinance Loans and existing NJCLASS Consolidation Loans are not eligible to be consolidated. The student for whom the underlying NJCLASS Loan Program loan was obtained shall no longer be enrolled in school. He or she shall have graduated or withdrawn.

(d) To be eligible for an NJCLASS Consolidation Loan, the NJCLASS borrower and/or co-borrower shall:

1.-3. (No change.)

4. In the case of any Federal student loan amount, or any NJCLASS Loan Program Loan, Refinance Loan, or NJCLASS Consolidation Loan amount that previously was canceled due to the borrower's total and

permanent disability, obtain a certification from a physician that the borrower's condition has improved and that the borrower is able to engage in substantial gainful employment and sign a statement acknowledging that the NJCLASS Consolidation Loan that the borrower 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; and

5. (No change.)

(e)-(h) (No change.)

(i) NJCLASS Consolidation Loan borrowers and/or co-borrowers may be required to pay an application/administrative fee as prescribed by the bond indentures. This fee will be added to the sum of the outstanding principal and interest balance of each underlying NJCLASS Loan Program loan being consolidated at the time of approval. In addition, borrowers and/or co-borrowers may be required to pay a servicing fee for the NJCLASS Consolidation Loan, if provided for by the promissory note.

(j)-(m) (No change.)

(n) NJCLASS Loan Program provisions, which pertain to delinquency, set forth at N.J.A.C. 9A:10-6.14; credit bureau reporting, set forth at N.J.A.C. 9A:10-6.15; default, consequences of default, and rehabilitation, set forth at N.J.A.C. 9A:10-6.16; and discharge, set forth at N.J.A.C. 9A:10-6.17 shall be in effect for NJCLASS Consolidation Loans.

9A:10-6.14 Delinquency

(a) (No change.)

(b) Default prevention activities shall include, but not be limited to, letters, electronic communications, and telephone calls to the borrower and cosigner, if any, beginning after the first 10 days of delinquency. Thirty days before sending a letter of default (180 days delinquent, or 240 days delinquent depending on whether payments are due monthly or less frequently than monthly), the Authority shall attempt to telephone the borrower and cosigner and send the borrower and cosigner a final demand letter.

(c) (No change.)

9A:10-6.15 Credit bureau reporting

The Authority shall report the status of all NJCLASS Loan Program loans, Refinance Loans and NJCLASS Consolidation Loans, for borrowers and cosigners, in the NJCLASS portfolio to a national credit bureau each month.

9A:10-6.16 Default, consequences of default, and rehabilitation

(a) Default occurs when a borrower fails to make an installment payment when due, or to meet other terms of the Promissory Note under circumstances where the Authority finds it reasonable to conclude that the borrower no longer intends, or is no longer able, to honor the obligation to repay, or when the borrower fails to make installment payments when due, provided failure to repay persists for:

1.-2. (No change.)

(b) Upon default, the borrower and/or cosigner, if any, are liable for the entire balance of the loan. Upon default, the Authority shall notify credit bureaus of this negative information. Default may result in any or all of the following: expedited increase of interest rate, loss of State income tax refunds or State tax rebates, legal action, assessment of collection charges, including attorney fees of up to 30 percent of the debt collected, loss of eligibility for other student aid, negative credit reports, administrative wage garnishment, and offset of lottery prize winnings.

(c) To facilitate recovery on a defaulted NJCLASS Loan Program loan, Refinance Loan, or NJCLASS Consolidation Loan, the Authority shall offer parties to the defaulted loan the opportunity to enter into a settlement agreement, either pre- or post-judgement, based on the terms of the loan and the ability of the parties to the loan to make payments.

1. The Authority's counsel shall respond to a request for a settlement agreement within 15 business days of the request.

2. The Authority's counsel shall provide parties with a proposed written settlement agreement within 30 business days of reaching an oral agreement with the parties reflecting the agreed upon terms.

3. For an NJCLASS Loan Program loan, Refinance Loan, or NJCLASS Consolidation Loan financed in whole or in part by bonds issued by the Authority pursuant to N.J.S.A. 18A:71A-8, the terms of the settlement agreement shall not violate the terms of the applicable bond indentures.

(d) If parties to a defaulted NJCLASS Loan Program loan, Refinance Loan, or NJCLASS Consolidation Loan can demonstrate to the Authority an ability and willingness to repay the loan by making nine on-time monthly payments over the course of 10 consecutive months pursuant to the settlement agreement, the loan shall be considered rehabilitated for the limited purposes of meeting the requirements of Title VI of the Federal Economic Growth, Regulatory Relief, and Consumer Protection Act, Pub. L. 115-174.

1. If subsequent to rehabilitating the loan, the parties fail to continue to honor the obligations of the settlement agreement for at least 180 days, the loan may no longer be considered rehabilitated.

2. A defaulted NJCLASS Loan Program loan, Refinance Loan, or NJCLASS Consolidation Loan may only be rehabilitated one time.

(e) The Authority shall accurately report the status of defaulted loans to the credit bureaus pursuant to the Federal Fair Credit Reporting Act, 15 U.S.C. § 1681s-2, and Title VI of the Federal Economic Growth, Regulatory Relief, and Consumer Protection Act, Pub. L. 115-174.

(f) In the event a borrower with a defaulted NJCLASS Loan Program loan, Refinance Loan, or Consolidation Loan has entered into a settlement agreement with the Authority and is not in breach of such agreement, the Authority shall not refer the borrower to the Department of the Treasury, Division of Taxation, for set-off of Individual Liability, or notify the Department of the Treasury, Division of the State Lottery, to withhold the borrower's winnings.

9A:10-6.17 Discharge

(a) Rules governing the discharge of loans based on filing for relief in bankruptcy, and discharge of loans due to death or total and permanent disability are set forth in this section. If an NJCLASS Loan Program loan was obtained by two borrowers as co-makers or by a borrower and one or more cosigners, and only one of the borrowers dies, becomes totally and permanently disabled, has collection of his or her loan obligation stayed by a bankruptcy filing, or has that obligation discharged in bankruptcy, the other borrower or cosigner remains obligated to repay the loan, beginning with NJCLASS Loan Program loans, Refinance Loans, or NJCLASS Consolidation Loans using promissory notes dated 1994 or later. If the student for whom the loan was obtained dies or becomes permanently disabled, the obligation of all parties to the loan to make any further payments on the loan is discharged, beginning with requests for discharge received on or after June 1, 2017.

(b) (No change.)

(c) If the Authority determines that an individual borrower is totally and permanently disabled, the obligation of the borrower to make any further payments on the loan is discharged. A borrower is not considered totally and permanently disabled on the basis of a condition that existed at the time he or she applied for the loan, unless the borrower's condition has substantially deteriorated later, so as to render the borrower totally and permanently disabled. After being notified by the borrower, or the borrower's representative, that the borrower claims to be totally and permanently disabled, the Authority shall request that the borrower, or the borrower's representative, submit the discharge application provided by the Authority. The application must contain documentation that the borrower is totally and permanently disabled as defined at N.J.A.C. 9A:10-6.3.

(d) The following pertain to borrower bankruptcy:

1.-2. (No change.)

3. The Authority shall conduct a cost benefit analysis in deciding whether to oppose an undue hardship discharge petition, to oppose a plan proposed pursuant to Chapters 11, 12, or 13 of the Federal Bankruptcy Code, or to oppose a discharge pursuant to a plan pursuant to Chapters 11, 12, or 13 of the Federal Bankruptcy Code.

9A:10-6.18 Refinance Loans

(a) Subject to the availability of funds with sufficiently low interest rates, the Authority may offer refinance loans. The purpose of such refinance loans is to assist qualified borrowers by lowering the total finance charges associated with repaying their student loans, by paying off one or more existing NJCLASS Loan Program loans, other Refinance Loans, NJCLASS Consolidation Loans, Federal Parent PLUS loans, and/or school-certified private education loans, and replacing such

obligations with one single loan that charges a lower interest rate than that of the original loan or loans.

(b) The borrower of a refinance loan must be the borrower on all of the underlying loans being refinanced by the refinance loan.

(c) All underlying loans must be in monthly repayment of principal and interest in order to be refinanced by a refinance loan.

(d) To be eligible for a refinance loan, the borrower and/or co-borrower 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 at least 18 years old;

3. 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 at (f) below;

4. Provide an acceptable cosigner if the Authority determines that one is required;

5. In the case of any Federal student loan amount, or any NJCLASS Loan Program Loan, Refinance Loan, or NJCLASS Consolidation Loan amount that previously was canceled due to the borrower's total and permanent disability, obtain a certification from a physician that the borrower's condition has improved and that the borrower is able to engage in substantial gainful employment and sign a statement acknowledging that the refinance loan that the borrower 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; and

6. 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.

(e) The Authority shall have final decision-making authority concerning the eligibility of a borrower, co-borrower, and/or cosigner to participate in the Refinance Loan Program.

(f) A refinance loan borrower and/or co-borrower shall meet minimum income requirements and be determined creditworthy by the Authority in order to be eligible for a refinance loan. Cosigners shall be required to meet the minimum income and creditworthy determination by the Authority if the borrower or co-borrower are unable to do so.

1. To be approved for a refinance loan, a creditworthy borrower, co-borrower, or cosigner shall have documentable annual income that exceeds Federal poverty guidelines, as adjusted annually by the United States Department of Health and Human Services. The amount by which income must exceed Federal poverty guidelines is determined by the indentures for the bonds or notes whose proceeds are funding the loan.

2. A borrower with one or more of the items listed below in his or her credit history may be denied a refinance loan for not being creditworthy. These items include delinquent accounts, paid and unpaid collection accounts, paid and unpaid charged off accounts, foreclosure, repossession, bankruptcy, and a paid or unpaid judgment. However, a borrower in the Refinance Loan Program may be eligible if the borrower is able to secure a creditworthy cosigner.

(g) The student beneficiary of each of the underlying loans that make up the refinance loan must meet the New Jersey nexus requirement with respect to either the underlying loan or the refinance loan. The student beneficiary meets the New Jersey nexus requirement, if:

1. At the time the original loan was originated, the student beneficiary was a resident of New Jersey;

2. The proceeds of the original loan were used to attend an eligible institution located in New Jersey; or

3. At the time the refinance loan is originated, the student beneficiary is a resident of New Jersey.

(h) The process to borrow pursuant to the Refinance Loan Program shall be, as follows:

1. The borrower shall complete the Refinance Loan application and promissory note. All parts of the application and promissory note shall be completed and all requested documentation shall be submitted to the Authority.

2. The Authority shall process the application and upon approval will provide the applicant(s) a refinance loan offer. Borrowers will have 30

days to accept the loan. Borrowers will not receive the refinance loan unless they accept the offer.

3. Once the borrower accepts the loan offer, the borrower shall contact the lenders for the underlying loans to request a payoff amount that is accurate for at least 15 days and shall provide that information to the Authority.

4. The refinance loan amount will be calculated based upon the sum of the payoff amounts for each underlying loan being refinanced.

5. The Authority shall provide the borrower, co-borrower, and cosigner, if any, with a completed Refinance Loan Pre-Disbursement Disclosure Statement or other disclosures, as required by Federal law.

6. Refinance loan proceeds will be applied to satisfy the outstanding underlying loans included in the Refinance Loan.

(i) Refinance Loan borrowers and/or co-borrowers may be required to pay an application/administrative fee, as prescribed by the bond indentures. This fee will be added to the sum of the outstanding principal and interest balance of each underlying loan being refinanced at the time of approval. In addition, borrowers and/or co-borrowers may be required to pay a servicing fee for the Refinance Loan, if provided for by the promissory note.

(j) The interest rate on the refinance loan will be a fixed rate based upon a calculation or rate defined in the bond indentures.

(k) Late fees may be charged on a Refinance Loan in accordance with N.J.A.C. 9A:10-6.10.

(l) Refinance Loan borrowers shall begin to pay the principal and interest of the Refinance Loan on a monthly basis. The first payment of principal and interest is due within 60 days after the loan is disbursed. Notwithstanding any periods of deferment and/or forbearance, Refinance Loans shall be paid in full within the amount of years from the date of disbursement, as specified in the Application, Promissory Note, and disclosures. The amount of years in which a Refinance Loan is to be repaid is determined by the indentures for the bonds or notes whose proceeds are funding the loan. The borrower and/or co-borrower have the right to repay the entire loan or any portion of the loan at any time without penalty.

(m) The Authority may, at its discretion, grant borrowers periods of deferments or forbearance in the repayment of the Refinance Loan. Forbearance will only be granted if the ability of both the borrower and co-borrower to make scheduled payments has been impaired based on the same or differing conditions. Forbearance may be granted for situations including, but not limited to, financial hardship, which means situations where the overall financial circumstances of the individual seeking relief are such that he or she is unable to maintain a basic standard of living and still make Refinance Loan debt payments. During periods of forbearance, the Refinance Loan will revert to quarterly or monthly payments of interest only. The maximum allowable time period for financial hardship forbearance set forth at N.J.A.C. 9A:10-6.12(d) pertains to Refinance Loans. Deferments will be granted in the event of temporary total disability of an eligible student borrower on the underlying loans. To qualify for this deferment, the student borrower shall submit a request in a form prescribed by the Authority and provide the Authority with a statement from a physician, who is a doctor of medicine or osteopathy, and is legally authorized to practice, certifying that the student borrower is temporarily totally disabled. If an eligible student borrower qualifies for this deferment, it will be granted regardless of whether the other parties to the loan qualify for a deferment.

(n) NJCLASS Loan Program provisions, which pertain to delinquency, set forth at N.J.A.C. 9A:10-6.14; credit bureau reporting, set forth at N.J.A.C. 9A:10-6.15; default, consequences of default, and rehabilitation, set forth at N.J.A.C. 9A:10-6.16; discharge, set forth at N.J.A.C. 9A:10-6.17; and enforcement requirements for schools, set forth at N.J.A.C. 9A:10-6.19, shall be in effect for refinance loans.

9A:10-6.19 Authority enforcement requirements for schools participating in the NJCLASS Loan Program

(a) To assess the administrative and financial capability of a school participating in the NJCLASS Loan Program, the Authority may either conduct a management review solely dedicated to the NJCLASS Loan Program or may expand the scope of a State scholarship and Tuition Aid Grant management review to cover the NJCLASS Loan Program.

(b) In the event a school is selected for review, the Authority shall provide the school at least 30 days notice of the date of the on-site or virtual review. The Authority shall also notify the school of the financial and administrative information required for the on-site or virtual visit.

(c) The school shall be required to cooperate with Authority reviewers by making staff available to reviewers at entrance and exit interviews and by supplying additional material to reviewers, if requested, during the on-site or virtual visit.

(d) The program review follow up and other enforcement procedures are, as follows:

1. The reviewer shall issue a program review report to the school being reviewed;

2. The program review ends when all required actions are completed and any required refunds are made to the Authority by the school being reviewed;

3. When the program review ends, the reviewer shall notify the school, in writing, that the program review is closed;

4. The Authority may pursue a limitation, suspension, or termination action regarding participation in NJCLASS as a result of a program review or if the Authority is unable to close a program review because the school is uncooperative in taking the required corrective action;

5. If the institution disagrees with any of the program review report findings or required actions, the institution may submit a written appeal to the Authority's Chief Compliance Officer within 30 days of receipt of the report. The written appeal must explain in detail why the institution is appealing the program review findings or required actions, including any supporting documentation. The Authority's Chief Compliance Officer will provide the institution with a written response within 60 days of receipt of the appeal; and

6. If potential fraud or abuse with respect to NJCLASS participation is identified during a program review, the reviewers shall notify and forward all supporting documentation to the Office of the Attorney General and the appropriate prosecuting authorities for further action.

SUBCHAPTER 7. POLICY GOVERNING NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST (NJBEST) PROGRAM

9A:10-7.3 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

...
 "Cash" means cash, check, money order or electronic transfer.

"Contributor" or "account owner" means the person or organization who opens the account and maintains the account and has the right to withdraw monies from the account before the account is disbursed to the designated beneficiary.

...
 "Higher education institution" means an eligible educational institution as defined in or for purposes of section 529 of the Federal Internal Revenue Code of 1986, 26 U.S.C. § 529, except that with respect to proprietary institutions, only degree granting programs licensed or approved by the Office of the Secretary of Higher Education (OSHE) shall be included in the definition of higher education institution for purposes at N.J.A.C. 9A:10-7.15, and only proprietary institutions participating in a Title IV, Higher Education Act of 1965 program shall be included in the definition of higher education institution for all other purposes of this subchapter.

...
 "NJBEST scholarship" means a scholarship provided by the State of New Jersey for a designated beneficiary's undergraduate attendance at a higher education institution in New Jersey, as more fully described at N.J.A.C. 9A:10-7.15.

9A:10-7.5 Contributions
 (a)-(e) (No change.)

(f) No contributor, person making contributions to, or designated beneficiary pursuant to the NJBEST program may directly or indirectly

direct the investment of any contributions to the program (or the earnings thereon).

9A:10-7.15 Eligibility for NJBEST scholarship

(a) An additional amount of \$2,000, subject to funding available therefor, shall be credited toward the qualified higher education expenses of a designated beneficiary at the time of a qualified withdrawal provided:

1.-3. (No change.)

(b) For every two additional years in which the minimum annual contribution of \$300.00 is deposited in the account of a designated beneficiary and not withdrawn, an additional amount of \$1,000, up to a maximum scholarship of \$6,000, subject to funding available therefor, shall be credited toward the qualified higher education expenses of a designated beneficiary at the time of a qualified withdrawal provided the requirements at (a)2 and 3 above are met.

(c)-(e) (No change.)

9A:10-7.22 Eligibility for NJBEST Matching Grant Program

(a) For accounts opened on or after June 29, 2021, the Authority will provide a one-time grant of up to \$750.00 in a dollar-for-dollar match of an account owner's initial deposit into an NJBEST 529 College Savings Plan account provided:

1. The account owner's household adjusted gross income is equal to or greater than \$0 and does not exceed \$75,000;

2.-3. (No change.)

(b)-(e) (No change.)

SUBCHAPTER 8. LOAN REDEMPTION PROGRAM FOR TEACHERS IN HIGH-NEED FIELDS EMPLOYED IN LOW-PERFORMING SCHOOLS

9A:10-8.4 Application procedures

(a) In order to apply for participation in the Program, an applicant must complete a Program application and submit the complete application to the Authority by the deadline the Authority posts on its website.

1. (No change.)

(b) The Authority will select Program participants from among those applicants who meet the eligibility criteria established pursuant to N.J.A.C. 9A:10-8.3.

(c) In the event there are insufficient funds to select all of the applicants who meet the eligibility criteria, the Authority will rank all of the applications received during the application submission period using predetermined scoring evaluation criteria, which will be updated annually to reflect the most severe shortages of teachers in the State, and posted on the Authority's website no later than one month prior to the date on which applications will be available online each year.

SUBCHAPTER 9. BEHAVIORAL HEALTHCARE PROVIDER LOAN REDEMPTION PROGRAM

9A:10-9.2 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

... "Clinical practice" means assessment, diagnosis, treatment and prevention of mental illness, emotional and behavioral disturbances, including, but not limited to, providing individual, group, or family therapy or counseling services; and developing and implementing treatment and modification plans.

... "Eligible behavioral healthcare providers" means psychiatrists, licensed psychologists, licensed social workers, licensed clinical social workers, psychiatric nurse mental health clinical specialists, board certified behavior analysts, licensed clinical alcohol and drug counselors, licensed associate counselors, and licensed professional counselors. Providers shall engage in direct clinical practice with patients or clients for a minimum of 20 hours a week.

...

9A:10-9.4 Application procedures

(a) In order to apply for participation in the Program, an applicant must complete a Program application and submit the complete application to the Authority by October 31, each year. The Program application will be available on the Authority's website beginning on October 1, each year.

1. The program application includes, but is not limited to:

i. The applicant's identification and contact information;

ii. Certification of full-time employment, as well as whether the applicant works primarily with children or adolescents from the applicant's current employer or anticipated employer;

iii. Documentation necessary to demonstrate the applicant's eligibility to practice as a behavioral health provider, which includes, but is not limited to, a copy of the applicant's license to practice as a behavioral health provider, the applicant's undergraduate or graduate transcript, or the applicant's diploma; and

iv. Documentation evidencing qualifying education loan expenses.

(b) The Authority will select Program participants from among those applicants who meet the eligibility criteria established pursuant to N.J.A.C. 9A:10-9.3.

(c) In the event there are insufficient funds to select all of the applicants who meet the eligibility criteria, the Authority will rank all of the applications received during the application submission period using predetermined scoring evaluation criteria, which will be updated annually to reflect the most severe shortages of behavioral healthcare providers in the State, and posted on the Authority's website no later than September 1, each year.

9A:10-9.6 Incentive grants

(a)-(c) (No change.)

(d) Program participants work primarily with children and adolescents if at least 51 percent of their clinical practice is with people under the age of 18.

HUMAN SERVICES

(a)

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

Notice of Readoption Independent Clinic Services

Readoption: N.J.A.C. 10:66

Authority: N.J.S.A. 30:4D-1 et seq., and 30:4J-8 et seq.

Authorized By: Sarah Adelman, Commissioner, Department of Human Services.

Effective Date: February 5, 2024.

Expiration Date: February 5, 2031.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, N.J.A.C. 10:66, the Independent Clinic Services chapter, was scheduled to expire on May 3, 2024. The Department of Human Services (Department) is issuing this notice of readoption in order to avoid expiration of the rules at N.J.A.C. 10:66. Independent clinic services are preventive, diagnostic, therapeutic, rehabilitative, or palliative services that are provided by a freestanding facility that is not part of a hospital. The term independent clinic includes, but is not limited to, clinic types such as ambulatory care facilities, ambulatory surgical centers, ambulatory care/family planning clinics, substance use disorder treatment facilities, mental health independent clinics, and Federally qualified health centers (FQHCs).

The chapter is divided into six subchapters, as follows:

N.J.A.C. 10:66-1 sets forth provisions relating to scope of service, definitions, provisions for provider participation, provisions relating to prior authorization, basis for reimbursement, recordkeeping requirements, personal contribution to care requirements for NJ FamilyCare-Plan C and copayments for NJ FamilyCare-Plan D, and the medical exception process.