



LOAN REPAYMENT ASSISTANCE PROGRAMS

Georgetown University Law Center (GULC) maintains a strong commitment to public service through a range of programs, a commitment recognized in the previous Long Range Plan:

Our long term vision is that all Georgetown Law graduates, regardless of their career choices, will understand that a life well lived includes service to others.

Through the Loan Repayment Assistance Program (LRAP), the Law Center seeks not only to broaden its graduates' career opportunities, but more importantly to realize this vision of public service which is a part of life at Georgetown.

The Law Center created LRAP in 1986 to enable JD graduates to pursue careers in the field of public service. Graduates who qualify for LRAP benefits receive assistance with monthly student loan payments in the form of interest-free loans from GULC. Eligibility for the program is dependent both upon type of employment and income level. Funding is available for as long as the graduate qualifies.

"Our long term goal for the Law Center is to educate students to be superb lawyers who will promote justice and serve others both in their legal practices and in their lives."

Georgetown's commitment to students interested in public service careers begins before graduation with a number of opportunities, such as those provided by Office of Public Interest and Community Service (OPICS) and the clinical programs. LRAP further ensures that those who choose to may dedicate their careers to serving the needs of the community.

Qualifying for LRAP *



LRAP provides assistance to JD graduates who are employed or self-employed, on a full-time paid basis, in a law-related capacity by a non-profit entity which has as one of its primary purposes the rendering of legal services to or on behalf of persons or organizations which could not otherwise obtain like services and for JD graduates who are employed full-time in a law-related capacity by a government agency which has as one of its primary purposes the rendering of legal services on behalf of the public. Some examples of eligible employment include:

Asylum Aid , UN Committee on Human Rights , ADALAH - The Legal Center for Arab Minority Rights in Israel, Legal Aid, Public Defender Offices, Washington Legal Foundation, Rocky Mountain Legal Defense Fund, ACLU, District Attorney, County Prosecutor, Other public service employment at the local, state or federal level.

Judicial clerkships are NOT considered to be eligible employment for LRAP. However, a graduate participating in a judicial clerkship which prevents the submission of an application within the two-year window may be granted a one-time extension until the next application deadline.

**Review of an applicant's job description by the LRAP Committee may be required before it is approved as qualifying employment. You will be notified if this process applies to you.*

LRAP Awards

Eligible participants receive LRAP benefits in the form of six month loans. At the completion of each six month loan, the award is granted 100% forgiveness. The amount awarded is 100% of a participant's need, based on the LRAP calculation. Since each award is provided as a loan, with a legally binding promissory note, and LRAP participants are employed by a non-profit or government agency, when the loan is forgiven it is not considered a taxable event by the IRS.

"A life well lived includes service to others."

Income Evaluation

Once qualifying employment has been obtained, the graduate's household income is evaluated to determine the funds needed to meet the monthly payments for the student loan debt incurred to attend GULC. To recognize that income must first go towards basic living expenses, a "Standard Maintenance Allowance" (SMA) was developed.

To reflect current cost of living conditions nationwide, a three-tier SMA structure was created using the government locality pay tables. U.S. cities* are classified as follows:

Tier I - SMA \$46,700	Tier II - SMA \$43,600	Tier III* - SMA \$40,700
Honolulu	Boston Chicago	All Other U.S. Cities
Los Angeles/Riverside	Denver/Boulder	
New York City (5 boroughs)	Hartford Houston	
San Francisco/Oakland/ San Jose	Miami Minneapolis/St. Paul	
	Northern New Jersey/Long Island/Westchester	
	Philadelphia Portland, OR	
	Richmond, VA Sacramento	
	San Diego Seattle	
	Washington D.C.	

*The Tier III SMA will be applied to all overseas locations unless otherwise determined by the LRAP Coordinator.

Factors that Adjust Income

Salary Increases and "Other" Income: Salary increases as well as income earned from supplemental employment, other loan repayment assistance, produced from investments, interest from checking or savings accounts, generated from business ventures, and any bonuses or untaxed benefits (not retirement plans) provided by an employer will be added to the total household income.

Prior Educational Debt: The annual amount of a graduate's payments towards non-GULC student loan debt, capped at a total of \$4,000 in annual payments, will be deducted from the household income.

Married Graduates (new applicants and current participants who become married as of May 2007 only): Graduates who are married will be evaluated on the basis of either (1) their own income* (if the spouse is not working or earns below the dependent care allowance) or (2) an average of the joint incomes (if the participant has a working spouse in the household). Any annual education loan payments for the working spouse will be subtracted from the spouse's income before the joint income is averaged.

*If the spouse is not working then the participant will receive a dependent care allowance for the non-working spouse.

Dependent Care Allowance: Graduates with children are allowed a deduction for each child (or the amount of child support paid) from the household income. This allowance is reviewed regularly for cost of living increases and inflation.

Assets (new applicants as of November 2004 only): An asset equation will be included in your evaluation and may affect your eligibility for LRAP funds.

Salary Bonuses: If a bonus is received before December 1, a recalculation of the July through December term will be done. If a bonus is received on or after December 1, this amount will be added to the subsequent January through June term.

Housing/Food/Non-Cash Benefits: Any benefits received from an employer in addition to annual salary are included in a participant's income during the LRAP calculation. If an employer cannot provide a monetary amount for a benefit such as housing or a food allowance, then an amount will be determined by the LRAP staff, who will consider the cost of living for the area where the participant resides to determine an appropriate amount.

Once the household income has been determined, the appropriate SMA is applied and the difference, if any, is considered to be the graduate's annual total disposable income. LRAP expects one-half of this figure, the "participant's contribution", to be applied towards GULC loan payments.

“The best way to find yourself is to lose yourself in the service of others.”

Treatment of Assets for Purposes of Calculating LRAP Benefits

(Only pertains to any new applicant to LRAP as of November 2004)

The Law Center’s Loan Repayment Assistance Program (LRAP) was created to assist graduates who want to accept jobs with public interest organizations and/or government agencies with their student loan repayment. By assisting GULC graduates with their loan repayment, the program allows graduates to work for organizations which are unable to pay the higher salaries necessary for many graduates to fulfill their monthly loan repayment obligations.

However, if a graduate has significant financial assets which would otherwise allow him or her to meet monthly student loan repayment obligations, there is little reason for the Law Center to subsidize the graduate’s salary. The Law Center’s resources would be better allocated to graduates or students who need the assistance to make loan payments or attend school.

Beginning with new applications as of November 2004, an applicant’s assets will be considered when deciding awards. This new policy is a fair accommodation between the goals of allowing program participants to accumulate reasonable savings and diverting the Law Center’s scarce financial resources from those graduates who do not need assistance.

When reviewing an LRAP applicant’s assets, IRA/Keogh and other designated retirement accounts will be completely excluded from the calculation of assets. Graduates are encouraged to contribute to such accounts and will not be penalized for doing so. The two areas in particular that will be examined are “cash/savings/checking/other investment accounts” and “home equity”:

Cash/Savings/Checking and other Investment Accounts

All assets in this category, in excess of one half of the Standard Maintenance Allowance (SMA), will be considered in the LRAP calculation. Excluding assets below one half of the SMA will allow graduates to create a financial “cushion” for themselves. This policy is congruent with the Financial Aid Office’s advice to students and graduates to save six months of salary to prepare for unexpected gaps in employment and other unforeseen circumstances. The SMA for various geographic locations* are as follows:

<u>Tier I - SMA \$46,700</u>	<u>Tier II - SMA \$43,600</u>	<u>Tier III - SMA \$40,700</u>
\$23,350 exclusion	\$21,800 exclusion	\$20,350 exclusion

**If you are unsure which SMA your geographic location falls into, please refer to the Income Qualifications section on page 2.*

Home Equity

In order to preserve its scarce resources, the Law Center must avoid subsidizing those graduates who have substantial assets in home equity, acquired either through a gift or a dramatic rise in home value. Therefore, all home equity that is less than an LRAP participant’s age multiplied by \$2,000 will be excluded from the calculation. This policy is congruent with the Financial Aid Office’s advice to students and graduates to purchase a home rather than pay rent, if possible.

Calculation

Once an applicant’s assets to be considered for LRAP purposes have been calculated, they will be applied to the “Contribution from Available Income (AI)” table, as published annually by the Department of Education. See the attached Eligibility Worksheet for the 2008-2009 table.

The result of the AI adjustment will be added to the applicant’s annual income figure when determining the total household income. If the applicant is married, this additional amount will be averaged with the working spouses’ salary, or reduced to half for those participants whose spouse does not work.

Disbursement of LRAP Funds

LRAP funds are disbursed directly to the participant every six months and in advance of loan payments being due. For example, funds released in mid-December provide assistance for loan payments from January through June. Funds released in mid-June provide assistance for loan payments from July through December. Please refer to the LRAP Application Information on page 4 of this brochure for deadlines and requirements.

General LRAP Eligibility Qualifications

Consideration is granted to JD graduates who apply within two years of graduation. Applications submitted more than two years after graduation must be accompanied by supporting documentation which explains why the applicant is applying outside of the two-year window. Such applications will be brought before the LRAP Committee. If approved by the Committee, they will be awarded only as funds permit after all on-time applications have been evaluated.

A graduate participating in a judicial clerkship which prevents the submission of an application within the two year window may be granted a one-time extension until the next application cycle.

JD graduates owing outstanding balances on their Georgetown University student account are not eligible to apply for LRAP funds until the balance owed is paid in full.

Graduates in arrears on student loan payments are not eligible to participate in LRAP until all accounts are brought to a "current" status.

The debt payments covered by LRAP include Federal Subsidized and Unsubsidized Stafford loans, Federal Perkins loans, Law Center loans, Federal GradPLUS loans, commercial student loans* such as Law Access, T.H.E., LawLoans, Citiassist, Excel and Bar Exam (as long as they were certified by the Financial Aid Office).

Approved participants are expected to schedule their consolidated federal student loan debt using a 15-year repayment option. Any fixed interest rate unconsolidated Federal Stafford or Federal GradPLUS debt should be scheduled for 25 years. Repayment of commercial loan debt is automatically scheduled over 20 years and repayment of Perkins loans is automatically scheduled over 10 years.

LRAP participants may take a leave of absence for approved circumstances for up to two years. Requests for leave from the program must be made in writing and are reviewed on a case-by-case basis by the LRAP Committee. During leave, participants are responsible for loan payments.

Recalculation of benefits due to loan payment decreases or increases will not be calculated. Any changes will be evaluated every application cycle.

Any changes in income or other benefits that result in a reduction to a participant's award eligibility of less than \$400 are within tolerance and no funds will be owed to LRAP. Any changes that result in an increase to a participant's award eligibility of less than \$200 are within tolerance and no additional award will be made.

**If future funding becomes an issue, adjustments would be made prospectively, for new participants.*

LRAP Application Information

Applications for LRAP participation are accepted twice per year:

<u>Application Deadline</u>	<u>Award Notice Sent</u>	<u>Check Released</u>	<u>Funds to Cover</u>
November 1st Annually	Week of Thanksgiving	Mid- December	January through June
May 1st Annually	Last week of May	Mid-June	July through December

If qualifying employment is not secured until after the established deadline dates, the LRAP Committee will make every effort to review an applicant's eligibility based on the availability of funds. To ensure funding, applicants should complete the online application and submit all documents by the application deadlines and follow up with employer certification at a later date.

Application Process:

To Apply Online and Download Required Documents from the Web:

<http://www.law.georgetown.edu/finaid/lrap/index.html#applyingfor>

Initial LRAP applications are considered complete with the submission of the online application, as well as submitting the Employer Certification form, a position description and description of the organization for which the applicant will be working, the loan repayment documents from the lenders, an applicant certification and a copy of your most recently filed federal tax return.

Required documents for complete applications should be faxed or submitted to:

Toll Free Fax: (866) 316-2950

Address: Financial Aid Office/LRAP Committee
Georgetown University Law Center
600 New Jersey Ave., NW
Washington, D.C. 20001

E-mail: lawlrap@law.georgetown.edu

LRAP Hot line: (202) 662-9080

Additional Information:

- To learn more about LRAP, visit our web site at <http://www.law.georgetown.edu/finaid/lrap/index.html>
- To estimate the amount of student loan payments, visit: www.finaid.org/calculators

LRAP Eligibility Worksheet for Renewal Participants Only

Complete this worksheet to calculate your maximum LRAP eligibility. Complete this worksheet ONLY if you are a renewal participant who began receiving LRAP benefits prior to November 2004.

Example: John earns \$45,000 annually as a staff attorney for a non-profit in Chicago. During law school he borrowed \$55,500 in Federal Stafford Loans, \$40,000 in a Law Access Loan and \$12,000 in a Federal Perkins Loan. He has no other student loan debt. He is single with no children in his household.

John (Example)	
Household Income	
\$45,000	Salary
+	
\$0	"Other" Income
-	
\$0	Non-GULC loan payments and/or spouse's student loan payments (max \$4,000 each)
= \$45,000	Household Income
Part I: Income	
\$45,000	Household Income
-	
\$43,600 (Tier II)	SMA
=	
\$1,400	Annual Disposable Income
x 50%	
=	
\$700	Annual Participant Contribution toward loans
Part II: Loan Payments	
\$490	Federal Stafford loan Monthly Payment
\$130	Federal Perkins loan monthly payment
\$330	Commercial loan monthly payment
x 12 months	
=	
\$11,400	Annual student loan payments
Part III: LRAP Eligibility	
\$11,400	Annual student loan payments (part II)
-	
\$700	Annual participant contribution (part I)
=	
\$10,700	Maximum LRAP Eligibility

You	
Household Income <i>(Married applicants should do the calculation for both themselves and their spouses, then average the incomes together. Applicants with children should also subtract a childcare deduction of \$7,000 for each child in their household.)</i>	
\$ _____	Salary
+	
\$ _____	"Other" Income
-	
\$ _____	Non-GULC loan payments and/or spouse's student loan payments (max \$4,000 each)
= \$ _____	Household Income
Part I: Income	
\$ _____	Household Income
-	
\$ _____	SMA
=	<i>(Tier I \$46,700, Tier II \$43,600, Tier III \$40,700)</i>
\$ _____	Annual Disposable Income
x 50%	
=	
\$ _____	Annual Participant Contribution toward loans
Part II: Loan Payments	
\$ _____	Federal Stafford loan monthly payment
\$ _____	Federal Perkins loan monthly payment
\$ _____	Commercial loan monthly payment
x 12 months	
=	
\$ _____	Annual student loan payments
Part III: LRAP Eligibility	
\$ _____	Annual student loan payments (part II)
-	
\$ _____	Annual participant contribution (part I)
=	
\$ _____	Maximum LRAP Eligibility

LRAP Eligibility Worksheet for New Participants as of November 2004

Complete this worksheet to calculate your maximum LRAP eligibility. Complete this worksheet ONLY if you are a new participant who began receiving LRAP benefits after November 2004.

Example: Marie is a 28 year old, single applicant with no children in her household, living in New York City. She has assets of \$5,000 and home equity of \$70,000. She earns \$45,000 as a staff attorney for a non-profit. She borrowed \$55,500 in Federal Stafford Loans, \$40,000 in a Federal Grad PLUS Loan and \$12,000 in a Federal Perkins Loan.

Marie (Example)

Asset Calculation

\$0 (\$5,000 - (\$46,700/2))	Assets
+ \$14,000 (\$70,000 - (28 x \$2,000))	Home Equity
= \$14,000	Total Assets as AI

Use Total Assets to calculate Total Contributions from Income:

Available Income (AI)	Total Contributions from Income
\$0 - 13,700	22% of AI
\$13,701 - 17,300	\$3,014 + 25% of AI over \$13,700
\$17,301 - 20,800	\$3,914 + 29% of AI over \$17,300
\$20,801 - 24,300	\$4,929 + 34% of AI over \$20,800
\$24,301 - 27,800	\$6,119 + 40% of AI over \$24,300
\$27,801 or more	\$7,519 + 47% of AI over \$27,800

Total Asset Contribution:

\$3,014 + (.25 x (\$14,000-\$13,700)) = \$3,089

Household Income

\$45,000	Salary
+	
\$0	"Other" Income
+	
\$3,089	Assets
-	
\$0	Non-GULC loan payments and/or spouse's student loan payments (max \$4,000 each)

= \$48,089

Household Income

Part I: Income

\$48,089	Household Income
-	
\$46,700 (Tier I)	SMA
=	
\$1,389	Annual Disposable Income
x 50%	

= \$695

Annual Participant Contribution towards loans

Part II: Loan Payments

\$490	Federal Stafford loan monthly payment
\$130	Federal Perkins loan monthly payment
\$330	Grad PLUS loan monthly payment
x 12 months	
=	

\$11,400

Annual student loan payments

Part III: LRAP Eligibility

\$11,400	Annual student loan payments (part II)
-	
\$695	Annual participant contribution (part I)
=	

\$10,705

Maximum LRAP Eligibility

You

Asset Calculation

\$ _____	Assets included in LRAP calculation (Cash/Savings/Checking/Investment Accounts - (SMA/2))
+	
\$ _____	Home equity included in calculation (Home Equity - ((Age x \$2,000))
=	
\$ _____	Total Assets to be applied as Available Income (AI)

Calculate Total Contributions from Income (use chart to the left):

\$ _____

Household Income (Married applicants should do the calculation for both themselves and their working spouses, then average the incomes together. Applicants with children should also subtract a childcare deduction of \$7,000 for each child in their household. Applicants with prior non GULC loan debt can deduct up to \$4,000. Applicants can also deduct up to \$4,000 for any working spouse's educational loan debt.)

\$ _____	Salary
+	
\$ _____	"Other" Income
+	
\$ _____	Asset Total Contribution from above
-	
\$ _____	Deductions

= \$ _____

Household Income

Part I: Income

\$ _____	Household Income
-	
\$ _____	SMA
=	
\$ _____	(Tier I \$46,700, Tier II \$43,600, Tier III \$40,700)
=	
\$ _____	Annual Disposable Income
x 50%	
=	

= \$ _____

Annual Participant Contribution toward loans

Part II: Loan Payments

\$ _____	Federal Stafford loan monthly payment
\$ _____	Federal Perkins loan monthly payment
\$ _____	Grad PLUS loan monthly payment
x 12 months	
=	

= \$ _____

Annual student loan payments

Part III: LRAP Eligibility

\$ _____	Annual student loan payments (part II)
-	
\$ _____	Annual participant contribution (part I)
=	

= \$ _____

Maximum LRAP Eligibility