



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 Programs (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.

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.

"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."

Qualifying for LRAP *

GULC offers two assistance programs to its graduates, LRAP I and LRAP II:

LRAP I

Open to JD graduates who are employed (or self-employed) on a full-time basis in a law-related capacity by a non-profit entity (within the U.S. as well as international), 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. Some examples include:

- Asylum Aid
- ADALAH – The Legal Center for Arab Minority Rights in Israel
- Legal Aid
- Public Defender Offices
- Washington Legal Foundation
- Rocky Mountain Legal Defense Fund
- ACLU

Judicial clerkships, military service, government employment, county prosecutors and district attorneys are **not** considered eligible employment for LRAP I.

LRAP II

Provides assistance to JD graduates (from the class of 1996 and beyond) for the same qualifying employment described in LRAP I, as well as to those graduates 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. These include:

- LRAP I qualifying employment
- District Attorney
- County Prosecutor
- Other public service legal employment at the local, state or federal level.

As with LRAP I, judicial clerkships are **not** considered to be eligible employment for LRAP II.

*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.



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 years 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.

Unless a longer repayment schedule is used (20 or more years) the monthly Federal Stafford loan payments will be calculated using a 15 year basis. Those who choose not to consolidate are responsible for the difference in the monthly payment amount between the standard repayment (10 years) and the expected 15 year consolidation.

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. Time spent on a leave of absence will not count towards LRAP forgiveness.

Income Qualifications

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 \$43,000 | Tier II - SMA \$40,200 | Tier III* - SMA \$37,600 |
|------------------------------------|---|--------------------------|
| Houston | Boston | All Other U.S. Cities |
| Los Angeles/Riverside | Chicago | |
| New York City (5 boroughs) | Denver/Boulder | |
| San Francisco/Oakland/ San Jose | Detroit/Ann Arbor/Flint | |
| Honolulu | Hartford | |
| | Northern New Jersey/Long Island/Westchester | |
| | San Diego | |
| | Washington D.C. | |

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

"Other" Income: Income earned from supplemental employment, produced from investments, 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: The annual salaries of the graduate and his/her spouse are averaged together. If the graduate's spouse is repaying student loans, the annual amount of the payments, capped at \$4,000, will be deducted from the spouse's salary before averaging.

Child Care Deductions: Graduates with children are allowed a deduction for each child (or the amount of child support paid) from the household income. The childcare deduction 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.

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:

| Tier I - SMA \$43,000 | Tier II - SMA \$40,200 | Tier III - SMA \$37,600 |
|-----------------------|------------------------|-------------------------|
| \$21,500 exclusion | \$20,100 exclusion | \$18,800 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 2006-2007 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 spouses' salary, resulting in only 50% of the calculated asset being applied to the calculation.

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.

Calculation of LRAP Awards

The participant's contribution is subtracted from the amount of annual loan payments for GULC debt to determine the maximum LRAP eligibility. The debt payments covered by LRAP include Federal Subsidized and Unsubsidized Stafford loans (see General Eligibility for information on consolidation), Federal Perkins loans, and Law Center Loans. Educational commercial loans and Bar Exam Loans are also covered as funding allows.

The formula used to determine maximum LRAP eligibility is the same for each division, however the actual amount awarded differs between the two programs. LRAP I awards are the full amount of the graduate's maximum eligibility; LRAP II awards are a percentage of the maximum eligibility based on the available funds and the number of eligible participants for that award period. There is an expectation, funds permitting, that the LRAP II minimum awards will be 50% of the maximum eligibility. Coverage levels may vary annually.

LRAP I awards are interest free loans from GULC to the graduate. Over time, the obligation for repayment of these loans decreases. The following "forgiveness" schedule is used for LRAP I loans based on the number of years of participation:

| Years in LRAP I | LRAP I Forgiven | LRAP I to Repay |
|-----------------|-----------------|-----------------|
| 1 | 10% | 90% |
| 2 | 25% | 75% |
| 3 | 45% | 55% |
| 4 | 70% | 30% |
| 5 | 100% | 0% |

Those who participate in LRAP I for longer than five years may continue to receive benefits at the full level. Funds are disbursed as six month loans and are not expected to be repaid at the completion of each award period.

If a participant leaves the program before earning full forgiveness of the LRAP I loan, the amount to be repaid to GULC will be charged at an interest rate of 8.25% (as of July 1, 1996) for a maximum of ten years following a six month grace period.

LRAP II awards are issued as interest-free six month loans. As long as the graduate remains eligible for the award during the time period for which the funds were intended, repayment is not expected and full forgiveness for the LRAP II loan is granted.

LRAP Application Information

Applications for LRAP participation are accepted twice per year:

| Application Deadline | Award Notice Sent | Check Released | Funds to Cover |
|-----------------------|----------------------|----------------|-----------------------|
| 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 submit all documents by the application deadlines and follow up with employer certification at a later date.

To receive an application:

- Download from the Web:
<http://www.law.georgetown.edu/finaid/forms/index.html>
- Request via E-mail:
lawlrp@law.georgetown.edu
- Call the LRAP line:
(202) 662-9080
- Request via e-fax:
(208) 975-5243

Initial LRAP applications are considered complete with the submission of the full application, including 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 and a copy of your most recently filed tax return.

Complete applications should be submitted to:

Financial Aid Office/LRAP Committee
Georgetown University Law Center
600 New Jersey Ave., NW
Washington, D.C. 20001
Fax: (208) 975-5243

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 \$42,800 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 | |
| \$42,800 | Salary |
| + | |
| \$0 | "Other" Income |
| - | |
| \$0 | Non-GULC loan payments and/or spouse's student loan payments (max \$4,000 each) |
| = \$42,800 | Household Income |
| Part I: Income | |
| \$42,800 | Household Income |
| - | |
| \$40,200 (Tier II) | SMA |
| = | |
| \$2,600 | Annual Disposable Income |
| x 50% | |
| = \$1,300 | Annual Participant Contribution toward loans |
| Part II: Loan Payments | |
| \$380 | Federal Stafford loan Monthly Payment |
| \$130 | Federal Perkins loan monthly payment |
| \$370 | Commercial loan monthly payment |
| x 12 months | |
| = \$10,560 | Annual student loan payments |
| Part III: LRAP Eligibility | |
| \$10,560 | Annual student loan payments (part II) |
| - | |
| \$1,300 | Annual participant contribution (part I) |
| = \$9,260 | Maximum LRAP Eligibility |
| <p>LRAP I Eligibility is \$9,260 LRAP II Eligibility can range between \$4,630 (\$9,260 x 50%) and \$8,334 (\$9,260 x 90%).</p> | |

| You | |
|--|---|
| Household Income (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 \$6,150 for each child in their household.) | |
| \$ _____ | 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 |
| = | |
| \$ _____ | 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 |
| <p>If eligible for LRAP I, your annual benefit would be the maximum LRAP eligibility, or the calculated LRAP II coverage amount depending on your preference for participation.</p> <p>If eligible for LRAP II, your award could range between 50% and 90% of the calculated maximum LRAP eligibility. Coverage levels vary for this division based on the number of total eligible applicants and the total amount of funding available for those applicants.</p> | |

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 Law Access Loan and \$12,000 in a Federal Perkins Loan.

| Marie (Example) | You | | | | | | | | | | | | | | |
|---|--|-----------------------|---------------------------------|--------------|-----------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|------------------|-----------------------------------|
| Asset Calculation | | | | | | | | | | | | | | | |
| $\$0$ (\$5,000 - (\$43,000/2)) + \$14,000 (\$70,000 - (28 x \$2,000)) = \$14,000 | \$ _____ 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) | | | | | | | | | | | | | | |
| <p>Use Total Assets to calculate Total Contributions from Income:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Available Income (AI)</th> <th style="width: 50%;">Total Contributions from Income</th> </tr> </thead> <tbody> <tr> <td>\$0 - 12,900</td> <td>22% of AI</td> </tr> <tr> <td>\$12,901 - 16,200</td> <td>\$2,838 + 25% of AI over \$12,900</td> </tr> <tr> <td>\$16,201 - 19,500</td> <td>\$3,663 + 29% of AI over \$16,200</td> </tr> <tr> <td>\$19,501 - 22,800</td> <td>\$4,620 + 34% of AI over \$19,500</td> </tr> <tr> <td>\$22,801 - 26,100</td> <td>\$5,742 + 40% of AI over \$22,800</td> </tr> <tr> <td>\$26,101 or more</td> <td>\$7,062 + 47% of AI over \$26,100</td> </tr> </tbody> </table> | | Available Income (AI) | Total Contributions from Income | \$0 - 12,900 | 22% of AI | \$12,901 - 16,200 | \$2,838 + 25% of AI over \$12,900 | \$16,201 - 19,500 | \$3,663 + 29% of AI over \$16,200 | \$19,501 - 22,800 | \$4,620 + 34% of AI over \$19,500 | \$22,801 - 26,100 | \$5,742 + 40% of AI over \$22,800 | \$26,101 or more | \$7,062 + 47% of AI over \$26,100 |
| Available Income (AI) | Total Contributions from Income | | | | | | | | | | | | | | |
| \$0 - 12,900 | 22% of AI | | | | | | | | | | | | | | |
| \$12,901 - 16,200 | \$2,838 + 25% of AI over \$12,900 | | | | | | | | | | | | | | |
| \$16,201 - 19,500 | \$3,663 + 29% of AI over \$16,200 | | | | | | | | | | | | | | |
| \$19,501 - 22,800 | \$4,620 + 34% of AI over \$19,500 | | | | | | | | | | | | | | |
| \$22,801 - 26,100 | \$5,742 + 40% of AI over \$22,800 | | | | | | | | | | | | | | |
| \$26,101 or more | \$7,062 + 47% of AI over \$26,100 | | | | | | | | | | | | | | |
| <p>Total Asset Contribution: $\\$2,838 + (.25 \times (\\$14,000 - \\$12,900)) = \\$3,113$</p> | | | | | | | | | | | | | | | |
| Household Income | | | | | | | | | | | | | | | |
| $\$45,000$ + \$0 + \$3,113 - \$0 = \$48,113 | $\$$ _____ Salary + $\$$ _____ "Other" Income + $\$$ _____ Asset Total Contribution from above - $\$$ _____ Deductions = \$ _____ Household Income | | | | | | | | | | | | | | |
| Part I: Income | | | | | | | | | | | | | | | |
| $\$48,113$ - \$43,000 (Tier I) = \$5,113 X 50% = \$2,557 | $\$$ _____ Household Income - $\$$ _____ SMA (Tier I \$43,000, Tier II \$40,200, Tier III \$37,600) = $\$$ _____ Annual Disposable Income x 50% = $\$$ _____ Annual Participant Contribution toward loans | | | | | | | | | | | | | | |
| Part II: Loan Payments | | | | | | | | | | | | | | | |
| $\$380$ $\$130$ $\$370$ x 12 months = \$10,560 | $\$$ _____ 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 | | | | | | | | | | | | | | | |
| $\$10,560$ - \$2,557 = \$8,003 | $\$$ _____ Annual student loan payments (part II) - \$ _____ Annual participant contribution (part I) = $\$$ _____ Maximum LRAP I Eligibility = $\$$ _____ Maximum LRAP II Eligibility (90%) | | | | | | | | | | | | | | |
| <p>LRAP II Eligibility can range between \$4,002 (\$8,003 x 50%) and \$7,203 (\$8,003 x 90%).</p> | | | | | | | | | | | | | | | |

If eligible for LRAP I, your annual benefit would be the maximum LRAP eligibility, or the calculated LRAP II coverage amount depending on your preference for participation.
 If eligible for LRAP II, your award could range between 50% and 90% of the calculated maximum LRAP I eligibility. Coverage levels vary for this division based on the number of total eligible applicants and the total amount of funding available for those applicants.