

# GEORGETOWN LAW

## Loan Repayment Assistance Program (LRAP)

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 , The Children's Law Center, Catholic Legal Immigration Network, Inc., Jesuit Refugee Service USA, Legal Aid, Public Defender Offices, Washington Legal Clinic for the Homeless, Rocky Mountain Legal Defense Fund, ACLU, District Attorney, County Prosecutor, Other public service employment at the local, state, federal or tribal 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 directly 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 \$47,400	Tier II - SMA \$44,250	Tier III* - SMA \$41,300
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	
	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.

**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.

## 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 15 or 20 years and repayment of Perkins loans is 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:** [lawrap@law.georgetown.edu](mailto:lawrap@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](http://www.finaid.org/calculators)

## Eligibility Worksheet for LRAP Participants Only

**Complete this worksheet to calculate your maximum LRAP eligibility. Complete this worksheet ONLY if you are a renewal participant under the current LRAP program.**

Example: John earns \$46,000 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 without dependents in his household.

<b>John (Example)</b>	
<b>Household Income</b>	
\$46,000	Salary
+	
\$0	“Other” Income
-	
\$0	Non-GULC loan payments and/or spouse’s student loan payments (max \$4,000 each)
<b>= \$46,000</b>	<b>Household Income</b>
<b>Part I: Income</b>	
\$46,000	Household Income
-	
\$44,250 (Tier II)	SMA
=	
\$1,750	Annual Disposable Income
x 50%	
=	
<b>\$875</b>	<b>Annual Participant Contribution toward loans</b>
<b>Part II: Loan Payments</b>	
\$490	Federal Stafford loan Monthly Payment
\$130	Federal Perkins loan monthly payment
\$330	Commercial loan monthly payment
x 12 months	
=	
<b>\$11,400</b>	<b>Annual student loan payments</b>
<b>Part III: LRAP Eligibility</b>	
\$11,400	Annual student loan payments (part II)
-	
\$875	Annual participant contribution (part I)
=	
<b>\$10,525</b>	<b>Maximum LRAP Eligibility</b>

<b>You</b>	
<b>Household Income</b> <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)
<b>= \$ _____</b>	<b>Household Income</b>
<b>Part I: Income</b>	
\$ _____	Household Income
-	
\$ _____	SMA
<i>(Tier I \$47,400, Tier II \$44,250, Tier III \$41,300)</i>	
=	
\$ _____	Annual Disposable Income
x 50%	
=	
<b>\$ _____</b>	<b>Annual Participant Contribution toward loans</b>
<b>Part II: Loan Payments</b>	
\$ _____	Federal Stafford loan monthly payment
\$ _____	Federal Perkins loan monthly payment
\$ _____	Commercial loan monthly payment
x 12 months	
=	
<b>\$ _____</b>	<b>Annual student loan payments</b>
<b>Part III: LRAP Eligibility</b>	
\$ _____	Annual student loan payments (part II)
-	
\$ _____	Annual participant contribution (part I)
=	
<b>\$ _____</b>	<b>Maximum LRAP Eligibility</b>