

GEORGETOWN LAW

New Loan Repayment Assistance Program III (LRAP III)

Georgetown University Law Center 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.

Georgetown Law's faculty approved a plan that will enable graduates who work in the public sector for 10 years – and earn up to \$75,000* a year in LRAP qualifying employment – to have all of their federal law school loans forgiven. Georgetown Law's new version of its Loan Repayment Assistance Program (LRAP III) dovetails with the federal government's new Public Service Loan Forgiveness Program, which became fully effective this year.

As a result of the two programs, Georgetown Law students who work for U.S.-based government agencies or nonprofit 501(c)(3) organizations for 10 years after graduation in a legally related capacity (JD degree must be preferred or required), and whose LRAP qualifying income remain less than \$75,000*, can borrow the entire cost of attending law school in the form of federally-guaranteed loans and have all of their loan repayments reimbursed by Georgetown Law and the remaining principal balance forgiven by the federal government. Georgetown Law benefits would continue on a diminishing basis for incomes exceeding \$75,000*.

Under the new federal law, federally-guaranteed loans can be repaid, after graduation, through a new income-based repayment plan that generally limits repayment to approximately 10% of the borrower's annual income. At the end of 10 years of public service, the federal government will forgive the remaining balance.

The Georgetown Law faculty decided that the Law Center will reimburse out-of-pocket repayments for its graduates in eligible public service, effectively ending loan repayments for those who spend 10 years working in modestly paid public interest fields. Current students and those who entered the program in 2010 will receive the full benefit of this plan.



*The \$75,000 income threshold is for single or married participants (with income earning spouses) filing separate tax returns, and not receiving any other loan repayment assistance from another entity.

Married students interested in public service employment within the next year should strongly consider filing their 2010 federal tax returns separate from their spouses. The Federal Income Based Repayment (IBR) calculation will utilize your spouse's income if you file jointly. To reduce your payments as much as possible, only including your income (unless your spouse is not working) and filing separately is the best course of action.

If you decide to file your federal taxes jointly and your spouse has an income, we will use your income only and the household size to calculate your IBR payment and LRAP III award.

If you have a non-working spouse and/or dependants the amount of income you can earn to receive 100% LRAP coverage is \$75,000 + 150% of the HHS Poverty amount for each additional person (current amount for tax year 2010 is \$3,820).

Starting with the January through June 2010 term, the only student loans that will be covered under the LRAP III program will be federal guaranteed student loans, and up to \$100/month for Bar Loans with incomes under \$75,000.

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 (JD degree must be preferred or required) by a non-profit 501(c)3 organization, non-profit international organization, or by a federal, state, local or tribal government agency. 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 since it is not a guaranteed public service track. Law Fellows who are enrolled as students are also NOT eligible for LRAP since their student loans are not in an eligible repayment status. However, a graduate participating in a judicial clerkship/law fellowship, 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.

LRAP III APPLICATION PROCESS

1. New LRAP participants must consolidate their federal loans with the Federal Direct Loan Program at www.loanconsolidation.ed.gov and select Income Based Repayment (IBR) as the repayment option on the Federal application. **Please keep a copy of the consolidation application to submit with your LRAP application. Please note that if you choose not to consolidate your loans with Direct Lending and apply for (IBR), we will still calculate your federal loans as if you had consolidated using IBR payments.**
2. You will also have to submit a consent to disclosure of tax information form and/or alternative documentation of income form with supporting information to the Department of Education. You will then receive a Direct Loan Disclosure of Payment Amount form (includes annual income, family size, and IBR monthly payment amount) that must be submitted to our office with all of your other documentation.
3. Fill out the LRAP online application for new participants at <http://www.law.georgetown.edu/finaid/lrap/index.html#applyingfor>
4. Print, complete and submit Instructions for new LRAP participants at <http://www.law.georgetown.edu/finaid/lrap/documents/INSTRUCTIONSFORNEWPARTICIPANTS2011B.pdf>

We recommend that you submit your LRAP application in its entirety once your consolidation process is complete and you've received your IBR payment schedule. When submitting the necessary loan documentation, be sure to include a copy of your consolidation application, a copy of your IBR payment schedule/Direct Loan Disclosure of Payment Form.

General LRAP III 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/law fellowship 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 III include Federal Direct Consolidation loans and up to \$100/ month for Bar Loans.

New participants are expected to schedule their Direct Consolidated federal student loan debt using Income Based Repayment (IBR).

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.

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.

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

LRAP III Application Information

Applications for LRAP III 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 has been secured before the application deadline, but the position doesn't begin 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.

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

LRAP Hot line: (202) 662-9080

Additional Information:

- To learn more about LRAP III, 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

"A life well lived includes service to others."

Income Based Repayment (IBR) Worksheet - 2011

You can use this worksheet to determine if you are eligible for the Income Based Repayment (IBR) plan to repay your eligible FFELP and/or Federal Direct education loans.

Total eligible federal student loan debt

Eligible federal student loans include only your FFELP/Direct Federal Stafford, Federal Grad PLUS, Federal Perkins, and Federal Consolidation Loans

[1] \$ _____

Estimated monthly loan payment due for [1]

Payment must be calculated using the Standard Repayment Plan based on a 10 year payment schedule: <http://finaid.org/calculators/loanpayments.phtml>

[2] \$ _____

Total annual loan payment due for [1]

Multiply monthly loan payment due [2] by 12 months as follows: [2] * 12

[3] \$ _____

Household size

Include you, your spouse, and dependents who reside in your household

[4] _____

Household Adjusted Gross Income (AGI)

Include income of your spouse, if married and filed joint federal tax return

[5] \$ _____

HHS poverty line for household size reported in [4]

Refer to Table 1 below to determine the poverty line for your household size and location of household and enter that value

[6] \$ _____

150% of poverty line for your household size

Multiply the poverty line reported in [6] by 150% as follows: [6] * 1.5
(note that the calculated values are provided below in Table 1 for your convenience)

[7] \$ _____

Household AGI – 150% of poverty line

Calculate the amount of your AGI [5] that is above 150% of the poverty line [7] by subtracting [7] from [5] as follows: [5] – [7]

[8] \$ _____

15% of AGI above 150% of the poverty line

Multiply the amount of your household AGI that is above 150% of the poverty line for your household [8] by 15% as follows: [8] * 0.15

[9] \$ _____

Are you eligible for IBR?

If [9] is less than [3], you are eligible for IBR
If [9] is equal to or greater than [3], you are **NOT** eligible for IBR

[10] **Eligible / Not Eligible**
(circle one)

If you are eligible for IBR (as indicated in [10]), proceed to the next step [11] to calculate your monthly loan payment under IBR; otherwise, stop here.

IBR monthly loan payment

If you are eligible for IBR, your monthly loan payment is calculated by dividing the result from [9] by 12 months as follows: [9] / 12

[11] \$ _____

Table 1. HHS Poverty Guidelines for 2011			
Household Size	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$10,890 (150% = \$16,335)	\$13,600 (150% = \$20,400)	\$12,540 (150% = \$18,810)
2	\$14,710 (150% = \$22,065)	\$18,380 (150% = \$27,570)	\$16,930 (150% = \$25,395)
3	\$18,530 (150% = \$27,795)	\$23,160 (150% = \$34,740)	\$21,320 (150% = \$31,980)
4	\$22,350 (150% = \$33,525)	\$27,940 (150% = \$41,910)	\$25,710 (150% = \$38,565)
5	\$26,170 (150% = \$39,255)	\$32,720 (150% = \$49,080)	\$30,100 (150% = \$45,150)
6	\$29,990 (150% = \$44,985)	\$37,500 (150% = \$56,250)	\$34,490 (150% = \$51,735)
7	\$33,810 (150% = \$50,715)	\$42,280 (150% = \$63,420)	\$38,880 (150% = \$58,320)
8	\$37,630 (150% = \$56,445)	\$47,060 (150% = \$70,590)	\$43,270 (150% = \$64,905)
For each extra person, add:	\$3,820 (150% = \$5,730)	\$4,780 (150% = \$7,170)	\$4,390 (150% = \$6,585)