

March 2007 LRAP Edition

The Alumni Newsletter from
the Financial Aid Office
for LRAP Applicants

Georgetown University
Law Center

"News You Can Use"



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Spring

New Online Application Process

There is a new online LRAP application process for the May 1st deadline for all LRAP participants. Please go to our website at <http://www.law.georgetown.edu/financialaid/online.html#applying> for and click on the link for the online application. You will then either need to create a new user ID and password, or you can use the same one you used when filing out your GULC financial aid application (Green Sheet). Once this application is complete you must also mail or fax the additional required documents to us on or before May 1st. When we receive your application we will send confirmation to you within three business days.

Please Note: We have a new Toll Free Fax #: (866) 316-2950

PLEASE DO NOT SEND DUPLICATE APPLICATIONS!

If you fax your application, there is no need to mail a duplicate application.

Financial Aid Office/
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Big News:

There is now . . .

One LRAP!

For more information, turn to page 2 and read about
the Merger of LRAP I and II

The Merger of LRAP I and II

We have exciting developments to report. The Law Center faculty voted to approve changes that will greatly enhance the program as well as simplify things for prospective LRAP applicants. Effective in May, 2007, LRAP I and II will be combined into one program that has the best features of each.

Rather than continue to maintain both LRAP I and LRAP II, the two segments are being merged and there will be one LRAP for all participants, regardless of employment in either public interest or government. Funding for all participants will be 100% of need, whereas previously only participants in LRAP I would receive 100% funding. Formerly only federal loans (Subsidized and Unsubsidized Stafford, SLS and Perkins) and Law Center Loans were guaranteed coverage. This policy has now changed and commercial student loans such as Law Access, T.H.E., LawLoans, Citiassist, Excel and Bar Exam will also be guaranteed coverage*. Until now commercial loans have typically been funded in practice, on an as funds permit basis.

The most notable change for participants formerly in LRAP I is that there will no longer be a five year commitment to LRAP in order to earn forgiveness. Awards will be administered like those previously made to LRAP II participants and will be loans that are forgiven after six months. Thus as long as a participant in LRAP remains in his/her eligible employment during the six month term, he/she would receive forgiveness for that loan at the end of six months.

The chart below simplifies the distinctions between the former LRAP I and LRAP II and the current LRAP as a result of the merger:

	LRAP I	LRAP II	Merged LRAP
Who is eligible?	Public interest employees.	Anyone eligible for LRAP I and also government employees.	Public interest and government employees.
What amount of need is covered?	100% of need.	50% of need is guaranteed to be covered (90% has been covered the past few years).	100% of need.
Is there a time commitment in order to receive 100% forgiveness of funds received?	Participants must remain in LRAP for five years in order to reach 100% forgiveness.	Participants are not required to remain in LRAP a set number of years. Each award is considered a loan that changes to a grant and is forgiven after six months.	Participants are not required to remain in LRAP a set number of years. Each award is considered a loan that changes to a grant and is forgiven after six months.
What loans are guaranteed coverage?	Federal loans are guaranteed, commercial loans are covered as funding allows.	Federal loans are guaranteed, commercial loans are covered as funding allows.	Federal loans and commercial loans are guaranteed coverage.

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

Dates to Remember

Application Deadlines

- November 1st for January through June disbursement period
- May 1st for July through December disbursement period

Award Notifications

Letters of eligibility will be sent to all applicants on the following days:

- Wednesday before Thanksgiving for the January through June disbursement period
- Friday before Memorial Day weekend for the July through December disbursement period

Disbursement Check Mailings

Following the receipt of all complete and signed necessary documents, LRAP checks will be mailed to participants, from main campus Student Accounts, at the following times:

- Mid-December for January through June disbursement period
- Mid-June for July through December disbursement period

Additional checks may be disbursed at alternate times throughout the year.

LRAP Committee Meetings

In certain instances, an applicant may have an employment opportunity or other scenario which does not fall within published LRAP guidelines. In such cases, graduates should submit an appeal of special circumstances to the LRAP Committee for review. All Committee submissions are anonymous and Committee members who are able to identify the appellant are asked to excuse themselves from the voting process. Submissions should be sent well in advance of the first of the months listed below and should be accompanied by supporting documentation. Committee meetings are held as follows:

- February - late February notification
- May - mid-June notification
- August - late August notification
- November - mid-December notification

Important Benefits Reminder

Any benefits received from an employer in addition to annual salary are included in a participant's income during the LRAP calculation. Examples of these benefits include:

- Housing
- Food allowance
- Bonuses
- Any Non-Cash Benefits
- Funds from another LRAP

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.

We Prefer First-Class Mail

Please allow adequate time to meet deadlines when mailing signed promissory notes to LRAP. We prefer that promissory notes are mailed to us via first-class mail, rather than FedEx, Express Mail, etc. in order to ensure that you avoid expensive shipping costs. If you find that the promissory due date is approaching and you haven't mailed yours yet, contact us so that we're aware of the situation.



Policy Changes and Reminders

Married Graduates

Married applicants who enter LRAP May 2007 or later, or current participants who become married May 2007 or later will have their income calculated using the new policy below. Married renewal applicants will continue to have their income averaged with their spouse's, regardless of the spouse's income.

Graduates who are married will be evaluated on the basis of either (1) their own income* (if the spouse is not working) 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.

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.

Recalculation of Benefits

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.

Loan Repayment Terms

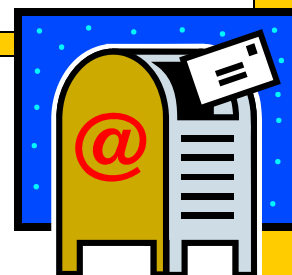
Approved participants are expected to schedule their federal student loan debt and Federal GradPLUS debt using a 15-year repayment option. Repayment of commercial loan debt is generally scheduled over 20 years for Access borrowers and 15 years for T.H.E. borrowers. Repayment of Perkins loans should be scheduled over 10 years.

Reporting Changes

When you enter the LRAP program and sign the Program Compliance Certification and Information Release, you're **agreeing to notify us in writing and within thirty days of any changes** to your (or your spouse's if applicable):

- Address
- Income
- Employment
- Marital status

Also, please indicate the date on which the change will take or has taken effect. The LRAP Coordinator should always have a way to contact you, via telephone, mail and email if available, to keep you informed of any program changes or updates. In addition, changes to your income, employment or marital status may be causes for recalculation of your LRAP benefits. Participants who follow these guidelines ensure a timely review of future applications and avoid unexpected loss of benefits.



Noteworthy News: Do you have any news you want to share with the LRAP community?
Send your news or information to us by email: lawlap@law.georgetown.edu