

October 2009 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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## Additional Income and Change in Asset Calculation

It is our policy to use the additional income listed on the previous year's tax return for both the May 1<sup>st</sup> and November 1<sup>st</sup> deadlines.

We also use the additional income listed on the online renewal application. If you receive any other type of LRAP, housing, food vouchers, bonuses, etc. from your employer we are required to include these benefits as additional income as well.

*Additionally, LRAP will no longer include assets such as information regarding home equity and checking and saving account balances.*

## Application Deadline

**THE NEXT DEADLINE IS:  
NOVEMBER 2, 2009**

**We must receive your complete application on or before this date!**

In the past, applications which were received within a few days after the deadline have been given consideration as though they were received on time. **In order to ensure that we are able to mail promissory notes on time, only applications that are received on or before November 2<sup>nd</sup> will be considered on time.**

**A complete application includes both the online application and all additional documents.** If you choose to mail rather than fax your additional documents, please allow sufficient mail time.

**Funding is not guaranteed for any late applications.**

When we receive your application we will send an email confirmation to you within three business days.

## Upcoming Dates to Remember

### Award Notification Letter

If you submit a complete application by the November 2<sup>nd</sup> due date, your award notification letter of eligibility will be sent around November 19, 2009.

### Disbursement Check Mailings

If we receive a signed and complete promissory note and other necessary documents by the due date indicated on the promissory note, your LRAP check will be mailed mid-December from the Student Accounts Office on main campus.

*Late application disbursement checks and additional award disbursement checks may be disbursed at alternate times throughout the year.*

*If you request that your LRAP check be reissued to a different address or if your check is lost in the mail, it will take at least 3-4 weeks for the check to be resent from main campus. Additionally, if you do not return your promissory note by the date specified on the award notification letter, we cannot guarantee that you will receive LRAP funding in time to make your first loan payment in January.*

# Changes for Current LRAP Participants Who Consolidate with Direct Lending

Any current LRAP participants who have federal loans and want to participate in the Public Service Loan Forgiveness Program, using the Income Based Repayment Plan, will have to consolidate with Direct Lending at [www.loanconsolidation.ed.gov](http://www.loanconsolidation.ed.gov). To find out more information on this new program, please visit our website at <http://www.law.georgetown.edu/finaid/forms/documents/IBRGuide.pdf>. This program will be most beneficial to individuals who plan to stay in the public interest sector for at least ten years and the majority of your loans are federal student loans. Once your loans are consolidated and you are in qualifying employment, you must make 120 payments to Direct Lending before you can apply to have the remainder of your federal loan balance forgiven.

Some other resources for information regarding this program can be found on the following websites:

Income Based Repayment Information [www.IBRinfo.org](http://www.IBRinfo.org)  
U.S. Department of Education [www.fsa.ed.gov](http://www.fsa.ed.gov)  
Finaid.org – Public Service Loan Forgiveness Information [www.finaid.org/loans/publicservice.phtml](http://www.finaid.org/loans/publicservice.phtml)

**Please Note: The LRAP calculation will remain the same for any current participants who do not want to participate in the IBR/Public Service Loan Forgiveness Program.**

**Additionally, we will have more information posted on our website regarding all the changes for the new LRAP program once the Faculty meets in November. In the meantime, if you are a recent graduate and you are planning on participating in this new program, please notify us and we will be flexible with the November 2<sup>nd</sup> deadline since it usually takes 30 – 45 days to consolidate your federal loans with Direct Lending.**

## LRAP IS TAX FREE!!

If you receive a 1099-MISC Form from Georgetown that reports your LRAP award as additional income, contact our office immediately. The awards that GULC issues to LRAP participants are **tax-free** and should never be considered additional income. You must fax a copy of the form to our office so that we can contact Main Campus as soon as possible.

If it hasn't been reported to the IRS at the time you contact our office, then Main Campus will simply delete it from their system. However, if it has been reported, then we will have to send you a corrected 1099-MISC, which you must send to the IRS along with a Response Form.

## Save the Trees!

If you choose to fax rather than mail your additional documents (Employer Certification Form, loan documentation and, for new applicants, job description on employee letterhead), please do not mail a duplicate copy. Duplicate copies are shredded as we do not have storage space to keep them.

## Standard Maintenance Allowances (SMAs) and Childcare Cost Deduction

Effective November 1, 2009 the SMAs are as follows:

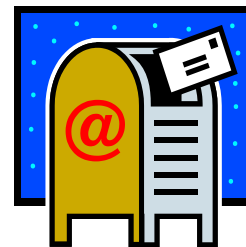
Tier I	\$47,400
Tier II	\$44,250
Tier III	\$41,300

Childcare Cost Deduction = \$7,000/child or dependant (including non-working spouses)

## 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
- All other contact information
- Income
- Employment
- Marital status – ***If you are not married before the May 1<sup>st</sup> or Nov 1<sup>st</sup> deadlines, then you do not have to update this status until the next application cycle.***



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 or employment 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.