

September 2011 LRAP  
Edition

The Alumni Newsletter from  
the Financial Aid Office  
for LRAP Applicants

# GEORGETOWN LAW

## “News You Can Use”

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## Application Deadline

**THE NEXT DEADLINE IS:**  
**NOVEMBER 1, 2011**

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

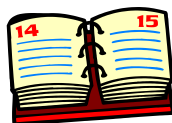
In the past, applications which were received within a few days after the deadline have been given consideration as though they were received on time. **In order to ensure that we are able to email promissory notes on time, only applications that are received on or before November 1st will be considered on time. Due to the high volume of applicants, there will be no exceptions this cycle.**

We recommend that you submit your renewal application well in advance of the deadline date so that you will have time to submit additional documents, if necessary. If you submit your application on November 1st and it is not complete, it will be considered late and subject to a penalty that will be deducted from your LRAP award.

**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. If you do not receive an email from us, it is your responsibility to follow up with our office.



## Upcoming Changes to the Program

### Award Notification Letter (Via Email)

If you submit a complete application by the November 1<sup>st</sup> due date, your award notification letter of eligibility will be emailed around the end of November.

### Master Promissory Note and Disbursement of LRAP Funds

Currently, we are working towards streamlining the LRAP award process to make it easier for participants to get their LRAP award. As a part of that initiative, we are developing a Master Promissory Note that will be good for up to 10 years.

We are also working towards allowing participants to access their LRAP awards through My Access (our current student system), which will allow you all to get your LRAP funds electronically deposited into your bank account. This *has not* been finalized yet, but we have reached out to a number of you to begin testing on this process. If you didn't receive an email from us regarding this test, please try logging into My Access

[https://myaccess.georgetown.edu/pls/bninbp/twbkwbis.P\\_WWWLogin](https://myaccess.georgetown.edu/pls/bninbp/twbkwbis.P_WWWLogin) with the **Net ID that you used while you attended GULC (it would have been the beginning of your law center e-mail address) and password (if you remember it).** If you are unable to access the system we will send further instructions in the next few weeks to all LRAP participants regarding who to contact to get your password reset. Please watch for a separate e-mail regarding this important change.

## Repayment of LRAP Funds

Please be sure to place your LRAP funding in an account and pay your loan debt on a month to month basis. This method is recommended so that if something should change (i.e. your income, employment, etc) within the six month period, you will have the LRAP funds saved and available for immediate repayment back to the program.

**All owed funds are due back to Georgetown Law as soon as possible, but must be repaid within 30 days.**

## Tax Returns and W-2(s)

There was some confusion last cycle regarding tax returns and W-2(s). To further verify employment and income *both the tax return and W-2s are required now.*

If you were unable to provide a copy of your 2010 Federal Tax Return and W-2(s) during the May 1 deadline due to an extension, please be sure to submit these documents with your upcoming LRAP application. Otherwise, your file will not be considered complete and you may be required to repay your previous award.



## 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.

## Additional Income, Other LRAP And Employment

**For LRAP II participants:** 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.

**For LRAP III participants:** *If you are receiving loan assistance from your employer, it will be matched dollar for dollar (after reducing the taxable portion) and deducted from your LRAP award.*

**Secondly, if you have a job in addition to your full-time LRAP qualifying employment that is not an LRAP qualifying position, the income you earn from that job will not be added to your LRAP calculation. However, Direct Lending is required to include all income when calculating your IBR payment, so please be aware that we will recalculate your IBR payment to only include the income from your LRAP qualifying position.**

## 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 Georgetown Law 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.

## FAXES!!



It is imperative that all faxes are sent to the LRAP fax number at **866-316-2950**. We request for faxes to be sent to this particular number because they come directly (and electronically) to our office as opposed to the general financial aid fax number where documents can get confused with current student information.

If you have difficulty with faxing your documents to this number, feel free to send your faxes to our land line at (202) 662-9367. We do not use this fax on a regular basis so please be sure to give our office a call when you send documents to this number to ensure that they are received by our office.

## Standard Maintenance Allowances (SMAs) and Childcare Cost Deduction for LRAP II Participants

Effective November 1, 2011 the SMAs are as follows:

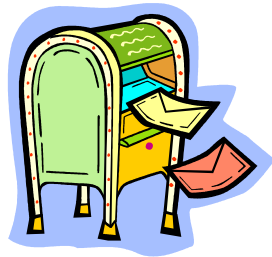
Tier I	\$48,100
Tier II	\$44,900
Tier III	\$41,900

Childcare Cost Deduction = \$7,500/child or dependant  
(including non-working spouses)

*\*There was no change in the SMAs and Childcare Cost Deduction this cycle.*

## **DO NOT UPDATE DIRECT LENDING WITH EVERY SALARY INCREASE!**

**For LRAP III Participants:** Please refrain from updating Direct Lending each time you receive a salary increase. The advantage of being in the Income Based Repayment Plan is that your payment is based upon your Adjusted Gross Income (AGI) instead of your current income. You should only update Direct Lending once a year, and that update should be based upon the income reported on your current tax return.



## 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. Additionally, if you are expecting a child to be born during the upcoming cycle, please list the unborn child on your online application.*

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.

### LRAP III Participants Only:

- **Income** - If you receive an increase in your salary and you report this increase to the Department of Education before you file your federal taxes, which results in a change in your IBR amount, we will not make changes to your award until the following cycle. If your salary should decrease, we will recalculate your award and any money owed back to the program must be repaid.

*Additionally, if you are an LRAP III participant who has one or more private loans (not including a Bar Loan) and your salary increases, the percentage of your commercial loan coverage may change. If this change is within the tolerance of \$400, then you will not be required to pay those funds back to the program.*

- **Marital Status** – If you are married and filing jointly with your spouse, we will calculate your IBR payment based upon your salary and household size only.

**Please Note: Whether you are in the LRAP II or LRAP III program, you are required to submit your spouse's information until further notice (i.e. employer certification form and loan documentation). We do not have time to identify which program each applicant is in, therefore we require everyone to submit their spouse's information.**