

March 2006 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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LRAP Check Issue

Most January - June 2006 LRAP participants received their checks on time. However, there were a handful of new participants and participants with address changes that were delayed in the check processing stage. We are working very diligently to rectify this problem so that it does not happen in future LRAP disbursements. **Please be advised that if you do not receive your LRAP check shortly after the posted date on your award letter, and your promissory note was turned in on time, there may be a problem.** If this should occur, please call or email us.

SPRING



Remember, **spring LRAP applications are due Monday, May 1st**. Be sure to mail or fax your application to us on or before this date. When we receive your application we will send confirmation to you within three business days.

PLEASE DO NOT SEND DUPLICATE APPLICATIONS!

Renewal Applications

All renewal applications will be mailed to the most recent address we have on file before March 15, 2006. The mandatory due date for all complete renewal and new applications is May 1, 2006. A copy of your 2005 federal income tax return should be included with your application.

OPICS Counseling

If you are contemplating a career move, an OPICS advisor is available for advice and guidance. Please call 202-662-9655 and ask to schedule an appointment with either Lauren Dubin or Barbara Moulton. As an alum, you also have access to Georgetown online job listings. For a user ID and password, call 202-662-9300.

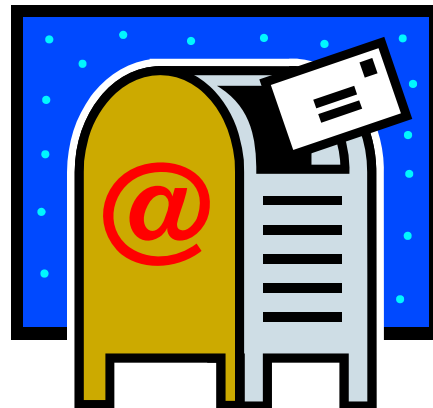
Line-for-Line Tax Transcript

The line-for-line tax transcript will no longer be required for Nov. 1st applications. However, a copy of your tax return will still be required for the May 1st application.

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

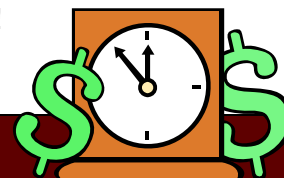


Also, please indicate the date on which the change will take or has taken effect. The LRAP Coordinator should always have a way to contact you, via telephone, mail and email if available, to keep you informed of any program changes or updates. In addition, changes to your income, employment or marital 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.

“On Time” is Money

In order to plan ahead for any uncertain events, and to ensure that your LRAP applications are received and that your funds are sent to you on time, we suggest that you take the following steps in early April for May 1st applicants or early October for November 1st applicants:

- Retrieve the application materials from the web.
- Begin gathering your loan documentation well in advance of the filing deadline.
- Submit Employer Certification Forms to employers and request that they be completed and returned to you two weeks prior to the filing deadline.
- Contact the Financial Aid Office via e-mail or fax at least two weeks prior to the filing deadline with any questions about the application process.
- Plan to submit any special circumstances in writing, along with proper documentation, with your application, rather than calling the office.
- Send all of your application documents well in advance of the deadline.
- Keep in mind that it takes three business days for us to send confirmation that your application is received - whether or not your application is complete and longer if you do not have an e-mail account. However, your application must be **complete** by the deadline!



Welcome Christina

Welcome Christina Doty, our new Financial Aid Counselor/LRAP Assistant in the Financial Aid Office at GULC!

Christina will be replacing Phillip Salazar. Christina has worked in the financial aid offices at the University of Maryland, Baltimore and the University of Maryland Baltimore County.

Please join us in welcoming her to the Law Center.

New Standard Maintenance Allowances (SMAs)

Effective July 1, 2006 the SMAs will be increased to the following:

Tier I	\$43,000
Tier II	\$40,200
Tier III	\$37,600

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 recuse 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



We Need Your Profiles

We are in the process of updating the biography section of our website and would like to include several student biographies. Following are questions that are of interest to students currently considering LRAP as a future possibility and working professionals currently participating in LRAP. If you are interested in become a profiled participant, please send us your answers to the questions below:

- Where do you work and how would you describe your job function?
- How would you describe the organization for which you work and the clients who benefit from its functions?
- Did you know that you were interested in public interest law prior to your acceptance at GULC?
- Was there a specific event, class or professor who inspired you to enter into public interest/government employment?
- Did you take steps while attending GULC to pursue a career in public interest? If so, what were they?
- Were you involved with OPICS while you attended GULC?
- Is this the first public interest position you have held since your graduation from GULC? If not, please elaborate briefly on the other positions.
- How do your LRAP benefits enable you to remain in a public interest career?
- What do you like most about your position?
- What event or success are you most proud of in relation to your work as a government or public interest attorney?
- What is your overall opinion of the LRAP program?

Managing Your LRAP Money

Money management is a learned skill, and one goal of the LRAP program is to help you improve your abilities in this area. Some financially savvy LRAP participants have provided their tips for handling the benefits that they receive. Sharing their experiences could be worthwhile in helping you maximize your use of your LRAP disbursements. If you have your own tips or strategies that you find to be useful to you in the future, please feel free to share them with us!

One recipe for potential financial trouble is to take the LRAP benefit check and dump it into your regular checking account. **Remember, LRAP disbursements are intended to assist you with loan payments for six months** (January through June or July through December). Depositing the LRAP check into an account that you use for day-to-day living expenses can create a false sense of financial well being, and you could risk believing that you have more discretionary income than you really do. As you know, when you re-apply for LRAP benefits, additional eligibility is jeopardized when your loan accounts show that you are not current on your payments. One suggestion is to open a separate account in which you keep only your LRAP disbursement, and any personal funds that you will dedicate to your loan repayment.

Paying Early Pays Off!

Did you know that the sooner you make a loan payment before the due date, the greater the amount of the payment is applied to the principal? Do not wait to mail payments so that they arrive exactly on the due date. A payment made just a week earlier than it is actually due can make a substantial difference by reducing the total amount of interest you will pay over time. This works because the amount of interest accumulated, as shown on your billing statement, includes a daily interest charge. If you make that payment sooner, less interest is due. The concept of reducing interest by paying the same amount, but earlier than the due date, applies to other installment accounts on which interest accrues as well.

Prepay Your Loans with Your LRAP Check!

Some graduates have also cut out the hassle of writing checks to lenders by “pre-paying” for the entire disbursement period. Depending upon your salary and the LRAP benefits you receive, it may not be feasible to use this technique with all of your loans (see below). Here is how it works: After depositing the funds into your account, write a lump sum check for the six months of payments and send it to the lender, using your entire LRAP award. As more of the payment is applied to the principal balance, this option also helps you save money on the total amount of interest that will be paid.

If you are responsible for a portion of the payment and cannot afford to pay your portion all at one time, or if you have multiple lenders, you might follow the above plan with one or more of your loans that carries a higher interest rate. You would then be responsible to make the rest of your required loan payments from your own resources during that period. We suggest repaying your commercial loans first because of the generally higher (and uncapped) interest rates that they carry. Even if your present interest rates for commercial loans (which change quarterly) appear lower than current Stafford loan rates, it is extremely unlikely that this will hold true for the life of the loan. Therefore, a prepayment of principal on your commercial loan now, even though it may cost you a bit more, will save you the most money in the future. Check with your student loan servicer before deciding to use this strategy to make sure that they will apply the “pre-payment” appropriately. Follow up after the payment is sent to verify that it was applied correctly, as meeting the required monthly payments for the next several months, rather than an “extra” payment towards the principal for that one month. If they follow the latter approach and do not spread the payments over several months, it may leave you scrambling to find the funds to meet required payments in the months that follow. Also, be sure to do the math before sending any funds to the lender - lenders cannot “un-credit” or refund money back to you once they have received payment.

If your servicer uses coupons instead of monthly billing statements, include all of the payment coupons along with individual checks to ensure proper crediting. Upon request, some servicers will provide coupons instead of monthly billing statements.