

“News You Can Use” For New LRAP Applicants

The Alumni Newsletter from the Financial Aid Office
September 2003

◆ Georgetown University Law Center ◆

Welcome to LRAP

Greetings, and welcome to the wonderful world of the GULC Loan Repayment Assistance Program (LRAP)! This is the first of a quarterly newsletter that you will receive if you choose to enter into LRAP. The paragraphs that follow highlight some of the most important information that has been conveyed to current participants in past years. This information will be very helpful in getting you better acquainted with the program and easing your transition into loan repayment while living on a public interest salary. Please read this newsletter and all of the application materials carefully before contacting our office with questions. We will be happy to help you once you have familiarized yourself with the program and its guidelines.

Loan Documentation

In accordance with the application guidelines, all monthly loan payments must be current and applicants must submit their most recent loan statements with their application. Overdue payments will not be overlooked. Contacting the lender to confirm that payments are current is an extremely time consuming process for anyone other than the borrower, although it is done randomly to confirm the validity of applicants' documentation. Also, LRAP funds cannot be used to make overdue payments.

In addition, applicants must complete the Loan Debt Information Sheet included with the renewal application materials. It can be difficult to decipher which loans you wish to include in the LRAP calculation, and what portion, if any, of your consolidation loans were borrowed while you were in attendance at GULC. Completing the Loan Debt information Sheet helps to expedite the processing of an applicant's award and therefore the notification process. By not completing this form or submitting loan documents with past due amounts, you seriously slow the processing time for your own application and therefore the review process for all LRAP participants.

If you are missing any information that is requested of you, or if you are unsure about the documentation you must provide, please submit your application on time and attach a written explanation.

Instant Account Access Available

Do you find yourself wondering: what is my exact monthly payment? What is the current quarterly interest rate on my commercial loan? Shortly you will be receiving this information via mail from each of your lenders. However, you can use the web to get these answers and more online, whenever you want them.

Many loan servicers offer real-time information on the web, providing you with what you may need to know about your account. These statements will also be acceptable to submit as required loan documentation for upcoming application cycles. We strongly urge you to obtain this type of access to your accounts so that you can provide any necessary documentation along with your application by the published deadlines. Check your billing statements for web addresses.

Some of the most common loan servicers for Georgetown Law graduates include:

Access Group (Student Loan People – KHESLC) www.studentloanpeople.com
AFSA Data Corporation www.afsa.org
Federal Direct Loan: www.dl.ed.gov
Graduate Loan Center www.aessuccess.com
Sallie Mae: www.salliemae.com
T.H.E. (Great Lakes) www.glhec.org

The 15-Year Repayment Requirement

Federal Stafford loan payments are based on a 15-year repayment term for purposes of LRAP processing. While you are not required to consolidate, if the loan documents submitted evidence that an applicant is repaying on an accelerated plan, or that the loans have not been consolidated, we will recalculate benefits based on a 15-year repayment plan using the lowest available interest rate.

Commercial loan payments are based on a 20-year repayment term for purposes of LRAP processing. As the majority of LRAP participants have borrowed from lenders that set their commercial loan repayment terms at 20 years, LRAP bases its calculation for monthly commercial loan repayment on this timeline. If you borrow from another lender whose repayment term is accelerated (typically 15 years) you should contact the LRAP coordinator to discuss changing your repayment term. The GULC Financial Aid Office has recently negotiated an agreement with Total Higher Education (T.H.E) in which they will change our participants' repayment term to 20 years throughout the duration of their participation in LRAP.

Federal Perkins loan payments are based on a 10-year repayment term for purposes of LRAP processing. As this is the standard repayment term for all Perkins loans, no changes are necessary. Please note that the forgiveness provisions for Perkins loans differ from those of Stafford loans. Please contact our office to determine if including your Perkins loan in your federal consolidation loan is the right choice for you.

*** First time LRAP applicants who apply for consolidation on their Federal Stafford loans must submit a copy of their consolidation application with their LRAP application.*

“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 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 3 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!

Your First LRAP Payment

Keep in mind that your first LRAP disbursement will be sent to you in mid-December and is intended to assist you with your payments for January through June of the following year. Therefore, for May graduates, Stafford loans will come due in November and you will be responsible for the payments for November and December. You may choose to make those payments if you are capable, and we encourage you to do so, or you may request either an unemployment deferment or an economic hardship deferment from your lender. These forms will most likely be available online from your lender. ***Under no circumstances should you ignore the bills until you begin receiving payments from LRAP!***

If you are unable to make your payments, contact your lender as soon as you receive your statement to request the necessary documentation for a deferment. You should only request a deferment for the months of November and December, as a condition of participation in LRAP is that you are current and in repayment on the loans for which you are receiving assistance.

Check Disbursement Procedures

LRAP checks will be sent directly from the Check Disbursement Office on main campus. Therefore, it is imperative that you provide us with the address to which you want your check sent no later than the filing deadline when you submit your application. It will be very difficult for us to redirect your payment once it has been sent for processing. Also, if you have moved since our last correspondence with you, attach an obvious note with your application, indicating such so that we can update your address in the University Financial Access system.

LRAP Participants Working Overseas

In addition to the above-mentioned suggestions, if you are going to be working overseas we encourage you to take the following steps to ensure that your checks arrive in a timely manner:

- Include a cover letter with your application: on it, indicate that you are working overseas and request in bold type (each time you reapply) to have your award information faxed to you.
- Please include the full fax number and any other necessary contact information.
- Return your promissory note and accompanying documentation to our office via express mail. *Faxed copies cannot be accepted!*

Reporting Changes in Writing

Remember that by signing the Program Compliance Certification and Information Release, you are agreeing to notify the LRAP program, in writing, within thirty (30) days, of any changes to your (or your spouse's if applicable) address, income, employment, or 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 phone, mail, and e-mail 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.

Due to the large number of change notices we receive, such correspondence will be held and reviewed once a month. Upon receipt of your correspondence we will send you a confirmation letter letting you know that we have received your letter and that it will be held until the first Friday of the following month. At that time, we will review all of the requests received and notify you in writing of any necessary changes. Therefore, a response could take up to 45 days to arrive. If you are reporting an increase in your or your spouses' salary, there is a good chance that your eligibility for the disbursement period will be reduced and

you may be asked to repay a portion of the funds that you received from the program. Please prepare for this so that you are not surprised when you receive a letter requesting a repayment up to six weeks later. You can estimate the impact that these changes will have on your eligibility by working by completing the “Over Award” section of the new LRAP estimator spreadsheet on the LRAP website.

If it is determined that you have been over awarded due to a change in your or your spouse’s salary or loan payments, and the amount is less than \$500, it will be reduced from your disbursement in the following application cycle. However, if you cease participation in LRAP prior to the next application period, or if you are no longer eligible for monetary benefits, we will contact you to repay those funds. In turn, if it is determined that you have been under awarded due to a change in your or your spouse’s salary or loan payments, or if you did not submit required documentation with your application, and the amount is less than \$500, it will be added to your disbursement in the following application cycle. If it is greater than \$500, an additional check will be disbursed to you, funds permitting.

Important Dates to Remember

Application Deadlines:

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

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 Checks Mailed:

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

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

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 of their individual situations. 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

This document is also posted to our website at www.law.georgetown.edu/finaid/lrap.html.