

# GEORGETOWN LAW

## Loan Repayment Assistance Program III (LRAP III)

Georgetown University Law Center maintains a strong commitment to public service through a range of programs, a commitment recognized in the previous Long Range Plan:

*Our long term vision is that all Georgetown Law graduates, regardless of their career choices, will understand that a life well lived includes service to others.*

Through the Loan Repayment Assistance Program (LRAP), the Law Center seeks not only to broaden its graduates' career opportunities, but more importantly to realize this vision of public service which is a part of life at Georgetown.

Georgetown Law's faculty approved a plan that will enable graduates who work in the public sector for 10 years – and earn up to \$75,000\* a year in LRAP qualifying employment – to have all of their federal law school loans forgiven. Georgetown Law's Loan Repayment Assistance Program (LRAP III) dovetails with the federal government's Public Service Loan Forgiveness (PSLF) Program.

As a result of the two programs, Georgetown Law students who work for U.S.-based government agencies or nonprofit 501(c)(3) organizations (receiving a W-2) for 10 years after graduation in a legally related capacity (JD degree must be preferred or required), and whose *current* LRAP qualifying income remain less than \$75,000\*, can borrow federally-guaranteed loans and have all of their loan repayments reimbursed by Georgetown Law and the remaining outstanding balance forgiven by the federal government. Georgetown Law benefits would continue on a diminishing basis for incomes exceeding \$75,000\*.

Under the federal law, federally-guaranteed loans can be repaid, after graduation, through new income-based repayment plans that generally limits repayment to approximately 10% or 15% respectively of the borrower's annual income. At the end of 10 years of public service, the federal government will forgive the remaining balance.

The Georgetown Law faculty decided that the Law Center will reimburse out-of-pocket repayments for its graduates in eligible public service, effectively ending loan repayments for those who spend 10 years working in modestly paid public interest fields. Current students and those who entered the program in 2010 will receive the full benefit of this plan.



\*The \$75,000 income threshold is for single participants not receiving any other loan repayment assistance from another entity.

Married students interested in public service employment within the next year should strongly consider filing their federal tax returns separate from their spouses. The Federal Pay As You Earn (PAYE) or Income Based Repayment (IBR) calculation will utilize your spouse's income if you file jointly. To reduce your payments as much as possible, only including your income (unless your spouse is not working) and filing separately is the best course of action.

If you decide to file your federal taxes jointly and your spouse has an income, we will use your income only and the total household size to calculate your payment and LRAP III award.

If you have a spouse (filing separately) and/or dependents the amount of income you can report to receive 100% LRAP coverage is \$75,000 + 150% of the HHS Poverty amount for each additional person (current amount for 2020 is \$4,480).

As of January 2010, the only student loans that will be covered under the LRAP III program will be federal guaranteed student loans, and up to \$100/month for Bar Loans with reported incomes under \$75,000.

**Financial Aid Office/LRAP Committee**

**Georgetown University Law Center, 600 New Jersey Avenue, N.W., Washington, DC 20001**

**Tel: 202-662-9080/9210**

**Fax: 866-316-2950**

**Email: [lawlap@georgetown.edu](mailto:lawlap@georgetown.edu)**

## Qualifying for LRAP \*

LRAP provides assistance to JD graduates who are employed or self-employed, on a full-time, paid basis (must receive a W-2 form from employer), in a law-related capacity (JD degree must be preferred or required) by a non-profit 501(c)3 organization, non-profit international organization, or by a federal, state, local or tribal government agency. Some examples of eligible employment include:

*Asylum Aid, The Children's Law Center, Catholic Legal Immigration Network, Inc., Jesuit Refugee Service USA, Legal Aid, Public Defender Offices, Washington Legal Clinic for the Homeless, Rocky Mountain Legal Defense Fund, ACLU, District Attorney, County Prosecutor, Other public service employment at the local, state, federal or tribal level.*

Judicial clerkships are NOT considered to be eligible employment for LRAP since it is not a guaranteed public service track. Law Fellows who are enrolled as students and borrowing loans are also NOT eligible for LRAP since their student loans are not in an eligible repayment status. However, a graduate participating in a judicial clerkship/law fellowship, which prevents the submission of an application within the two-year window may be granted a one-time extension until the next application deadline.

*\*Review of an applicant's job description by the LRAP Committee may be required before it is approved as qualifying employment. You will be notified if this process applies to you.*

## LRAP Awards

Eligible participants receive LRAP benefits directly in the form of six month loans, with a maximum of 120 months of assistance. At the completion of each six month loan, the award is granted 100% forgiveness. The amount awarded is 100% of a participant's need, based on the LRAP calculation. Since each award is provided as a loan, with a legally binding master promissory note, and LRAP participants are employed by a non-profit or government agency, when the loan is forgiven it is not considered a taxable event by the IRS.

## LRAP III APPLICATION PROCESS

1. New LRAP participants should visit the National Student Loan Database, which can be found within your dashboard on the Student Aid website. Please go there and make sure you have qualifying loans (all Federal Loans are either Direct Stafford, Direct Graduate PLUS, or Direct Consolidation). If you have questions about how to access this information on the site, please call the Federal Student Aid Information Center at 1-800-433-3243.
  - **If yes**, then you just need to apply for Income Driven Repayment (IDR) and select Pay As You Earn (PAYE) if eligible or Income Based Repayment (IBR) as the repayment option with your servicer (please see the last page of the brochure for further information on the repayment plans). You will upload a copy of your most recent federal tax return OR alternative documentation of income for your servicer to determine your payment. You will then receive a Repayment Letter with your approved IDR (includes your monthly loan payment and due date of your first payment) that must be submitted to our office with all of your other documentation.
  - **If you do not have all qualifying loans**, then new LRAP participants must consolidate all of their non-Direct federal loans (FFEL Stafford, FFEL Graduate PLUS, FFEL Consolidation, Federal Perkins) with the [Federal Direct Loan Program](#) and select Pay As You Earn (PAYE) if eligible or Income Based Repayment (IBR) as the repayment option on the Federal application, and upload a copy of your most recent federal tax return OR alternative documentation of income for your servicer to determine your payment. You will then receive a Direct Consolidation Loan Summary and Repayment Letter with your approved IDR (includes your monthly loan payment and due date of your first payment) that must be submitted to our office with all of your other documentation.
2. Print the *instructions for new LRAP participants* [NOT AVAILABLE YET], complete the required forms, and save them as PDFs.
3. Complete the *Online LRAP application for new participants* [NOT AVAILABLE YET] and upload all required documents. We recommend that you submit your LRAP application in its entirety once your consolidation process is complete (if applicable) and you've received your Income Driven Repayment letter.

## General LRAP III Eligibility Qualifications

Consideration is granted to JD graduates who apply within two years of graduation. Applications submitted more than two years after graduation must be accompanied by supporting documentation which explains why the applicant is applying outside of the two-year window. Such applications will be brought before the LRAP Committee. If approved by the Committee, they will be awarded only as funds permit after all on-time applications have been evaluated.

A graduate participating in a judicial clerkship/law fellowship which prevents the submission of an application within the two year window may be granted a one-time extension until the next application cycle.

JD graduates owing outstanding balances on their Georgetown University student account are not eligible to apply for LRAP funds until the balance owed is paid in full.

Graduates in arrears on student loan payments are not eligible to participate in LRAP until all accounts are brought to a "current" status.

The debt payments covered by LRAP III include Federal Direct Consolidation Loans, Federal Direct Loans, and up to \$100/month for Bar Loans.

New participants are expected to schedule their Direct Consolidated/ Direct Non-Consolidated federal student loan debt using Pay As You Earn (PAYE) if eligible, otherwise apply for Income Based Repayment (IBR) or Revised Pay As You Earn (REPAYE).

LRAP participants may take a leave of absence for approved circumstances for up to two years. Requests for leave from the program must be made in writing and are reviewed on a case-by-case basis by the LRAP Committee. During leave, participants are responsible for loan payments.

Any changes in income, other benefits, or IDR payments will be adjusted accordingly. If any funds are due, they must be paid in full within 30 days of notice.

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

## LRAP III Application Information

Applications for NEW LRAP III participation are currently accepted twice per year. Most awards will be on an annual basis, but funds will be disbursed twice a year:

<u>Application Deadline</u>	<u>Award Notice E-mailed</u>	<u>Funds Disbursed</u>	<u>Funds to Cover</u>
November 1st Annually*	Mid-December	End of December	January through June
May 1st Annually	Mid-June	July 1st	July through December

\*Application Deadlines for the most recent graduating class will be published online and in the Instructions.

If qualifying employment has been secured before the application deadline, but the position doesn't begin until after the established deadline dates, the LRAP Committee will make every effort to review an applicant's eligibility based on the availability of funds. To ensure funding, applicants should complete the application form and submit all documents by the application deadlines and follow up with employer certification at a later date.

**Missing documents for complete applications should be faxed or emailed to:**

**Toll Free Fax:** (866) 316-2950

**E-mail:** [lawrap@georgetown.edu](mailto:lawrap@georgetown.edu)

**LRAP Hot line:** (202) 662-9080

**Additional Information:**

- [LRAP Website](#)
- [Student Aid Website](#)

## Pay As You Earn (PAYE) vs. Income Based Repayment (IBR)

Pay As You Earn is another repayment plan that serves as an enhanced alternative to IBR for certain eligible borrowers. This plan is required, if you are eligible, in determining your monthly loan payments and LRAP award. Under Pay as You Earn, the amount of discretionary income used to determine whether a borrower has a partial financial hardship and, if so, the monthly required payment obligation decreases from 15% under IBR to 10%. In addition, the maximum length of time a borrower is required to make monthly payments decreases from 25 years under IBR to 20 years. Otherwise, the two repayment plans function similarly.

A borrower is eligible for Pay As You Earn if, in addition to meeting all the requirements for IBR, they 1) did not borrow any federal student loans prior to October 1, 2007 or had entirely paid off all such loans as of that date and 2) had at least one federal Stafford or Graduate PLUS loan disburse on or after October 1, 2011 or applied for and completed a Federal Direct Consolidation loan on or after such date. A borrower who does not meet the first requirement may regain eligibility for future, otherwise-eligible federal student loans when and if the borrower completely pays off all outstanding federal student loans regardless of when they were borrowed.

To determine your monthly loan repayment, or for further information on Income Driven Repayment Plans, please visit the following websites:

[Loan Simulator](#)

[Income Driven Repayment Plans](#)