

GEORGE WASHINGTON LAW SCHOOL
LOAN REPAYMENT ASSISTANCE PROGRAM

**PROGRAM DESCRIPTION AND APPLICATION INSTRUCTIONS
2009-2010**

APPLICATION DEADLINE:

Return the signed, completed application and all attachments (including employer certification) by **May 5th, 2009**. **2009** graduates should submit Initial Applications as soon as possible once public interest employment is secured.

SUBMIT APPLICATIONS TO:

Career Development Office, Attn: LRAP
George Washington Law School
716 20th Street, N.W., Suite 310
Washington, D.C. 20052

AWARDS:

First awards will be announced in **May 2009**. After this date, applications will be considered on a “rolling” basis.

QUESTIONS:

Please contact Tamara Devieux-Adams at tdadams@law.gwu.edu or at (202) 994-7340.

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I. Introduction

The Loan Repayment Assistance Program ("LRAP") provides financial assistance to G.W. Law School graduates with certain educational debt, who would otherwise be unable to choose public interest employment. The scope of this program each year depends on the amount of funds available.

LRAP offers loans to recent graduates whose annual income from eligible public interest employment, when reduced by their law school loan obligations, falls below a target floor. **LRAP recipients must apply for a new loan each year in order to receive assistance.** LRAP provides assistance only with regard to debts from law school education culminating in a juris doctorate degree; undergraduate debts or debts from other graduate study are not eligible.

LRAP loans are forgiven completely at the end of the fiscal year for which the loan was given; that is, if a loan is given for the period from **July, 2009 to June, 2010, the loan will be forgiven as of July, 2010** if the following conditions are met:

- the recipient has maintained full-time, public interest employment;
- the income and assets of the recipient have not changed materially since the date of application for the loan;
- the proceeds from the LRAP loan have been used to pay the recipient's student loan debts.

Any change in any or all of these conditions, at any point in the fiscal year, must be promptly reported to the LRAP program in writing, directed to the Career Development Office at the address above, within 30 days. Examples of a change in conditions include, but are not limited to: (1) going into deferment or forbearance status on loans included on your LRAP application, (2) receiving a salary increase and (3) leaving one's job.

NOTE CONCERNING TAXATION OF LRAP AWARDS:

The University cannot offer you tax advice. However, in 1997, amendments to the Internal Revenue Code were adopted that were intended to render the forgiveness of loans such as those provided by the LRAP program non-taxable. See IRS Publication 970, Tax Benefits for Higher Education. The University Comptroller has determined that the University is not required to issue either W-2's or 1099 forms for these loans or for their forgiveness.

Further, the University has adopted the following statement:

- 1. The University is not required to withhold or report to the IRS on this type of loan forgiveness program; and**
- 2. The applicants, if they are covered by the provisions of the IRS code relative to 'public needs' jobs, do not need to report the forgiveness as income for**

the purpose of their own income taxes. See IRC s. 108(f) and the IRS publication available at <http://www.irs.gov/pub/irs-pdf/p970.pdf>.

Individuals who receive LRAP awards for work in 501(c)(4) (civic leagues or non-profit organizations operated for promotion of social welfare, certain local association of employees), 501(c)(5) organizations (Labor, agricultural, or horticultural organizations), or for-profit entities as defined in Section III.3.c below, rather than 501(c)(3) or governmental entities, may not be treated in the same manner. If you have questions concerning taxability of your award, we suggest that you consult a tax advisor.

Interest paid on student loans may be deductible, under certain conditions, only to the extent that interest is not paid by the LRAP loan. See IRS Publication 970, Tax Benefits for Higher Education. Note that if student loans are consolidated, *and any additional amount is added to the principal for any purpose other than qualified educational expenses*, NO interest paid on the consolidated loan is deductible.

II. Eligibility Requirements – General

Alumni who graduated in 1990 or later are eligible for LRAP awards. Graduates are eligible for LRAP assistance only if they satisfy the employment requirements outlined below. LRAP awards for continuing applicants may be increased at the discretion of the LRAP Committee.

III. Eligible Public Interest Employment

The following requirements of eligible employment are subject to LRAP Subcommittee interpretation. Special circumstances may be considered.

Qualifying employment must be:

1. Full time, defined as working approximately 30 or more hours per week;
2. Law-related, broadly defined to include work in a position that requires a J.D. degree as a condition of employment; and
3. Public Interest, defined as follows:
 - a. Non-profit, 501(c)(3) or 501(c)(5) organizations that assist underrepresented, indigent individuals or populations.
 - b. Non-profit, §501(c)(4) organizations providing services or advocacy in the public interest for underrepresented individuals or populations.
 - c. For-profit entities providing law-related service in the public interest for individuals and organizations that cannot otherwise afford legal services, or whose interests are not otherwise adequately represented. An employer for whom 50% or more

of the hours worked are billed as pro bono, low fee, or funded by court-awarded fees, could satisfy this standard. Such employers could include small public interest law firms that do not engage in traditional corporate or private practice.

d. Government employment in which the recipient's law-related work is primarily on behalf of indigent or under-represented populations.

NOT INCLUDED:

Judicial clerkships, or work on behalf of a political candidate or party or on a political campaign, do not qualify. **Unpaid fellowships also do not qualify.**

In all cases, it is the applicant's responsibility to demonstrate that a substantial proportion of the individual applicant's work is "eligible" under this Section. In selecting among competing applications, the LRAP Subcommittee will consider all public interest employment, but will give preference to work benefiting indigent individuals or otherwise under-represented populations.

IV. Financial Eligibility Requirements

A. Income

There is no maximum salary which precludes receipt of an LRAP award. Rather, the award is estimated by comparing your income with your eligible debt payments and other expenses.

B. Deductions from Income

Dependents: \$4,000 shall be added to eligible debt payments for each of the first two of the applicant's minor children living in the household; \$2,500 for each additional child. For children of the applicant who are not living in the household, the lesser of the above amounts or the child support obligation of the applicant shall be added to eligible debt payments.

C. Debts

Eligible debts include all institutionally approved and certified educational loans for legal education leading to a juris doctorate (J.D.) degree. At this time, the LRAP program does not include loans for legal education leading to an LLM degree. Stafford, Perkins, ALAS, FISC, SLS, GWLS loans, and other educational loans through private lending institutions, are eligible, to the extent that the loans were used to pay for law school. A nominal loan to assist with expenses while taking the bar exam is also eligible for consideration.

Family or personal loans or loans for anything other than expenses included in the applicant's GW Law School financial aid budget are excluded.

D. Other Expenses, Assets, and Total Family Income

The Committee, in its discretion, may consider other expenses and resources such as a spouse's/partner's income and assets, unreimbursed medical expenses, health insurance costs, moving and bar expenses, etc. Applicants wishing to bring expenses not already included in the Initial or Continuing Application to the attention of the Subcommittee should detail them in a separate letter submitted with the Application. Assets and total family income will also be considered in selection of recipients and in making necessary adjustments to LRAP awards.

E. Insufficient Funds

The Committee in previous years established a Target Income for initial applicants to account for the level of funds available, the number of applications received, and the financial range of requested loan awards. The number of applications increases every year, however, which may affect the Subcommittee's ability to provide maximum levels of assistance for each applicant. Eligible applications received after the application deadline may be funded to the extent funds remain available.

F. Selection of Recipients and Loan Adjustments

LRAP loans are not guaranteed for any GW Law School graduate. Selection of recipients and the amount of awards depends upon the availability of program funds. The Committee (see below) retains the discretion to adjust awards to reflect considerations including, but not limited to:

1. the type of eligible employment and its contribution to the provision of legal services to underrepresented individuals and populations;
2. the applicant's proven commitment to public interest work;
3. the applicant's financial need and alternatives to meet that need;
4. geographical cost of living variations;
5. the types of loans at issue (e.g., need-based, merit-based, etc.), and any consolidation of loans; and,
6. other sources of financial assistance available to assist applicants with loan repayment

V. Timing and Repayment of Loans

A. Applications and Awards

Applications are due on **May 5th, 2009**. **Applications for 2009** graduates, and other alumni, may also be submitted at any time that eligible employment is secured.

LRAP awards are announced in May of each year; for later-submitted applications, awards are announced within a reasonable time after a complete application

(with all supporting documentation) is submitted. Incomplete applications will not be considered.

B. Disbursement

For applicants whose applications are submitted by the **May 5th, 2009** deadline, LRAP award letters and loan acceptance/forgiveness forms will be mailed in May. Upon receipt by the LRAP Committee of a completed loan acceptance form, a check for half of the applicant's loan will be mailed in July, 2009; a check for the second half of the loan will be mailed in January, 2010. For **2009** graduates who do not begin repayment of student loans until January, 2010, the first loan check will be mailed in January, 2010.

C. Forgiveness

Loans made by the University to successful applicants are forgiven at the end of the fiscal year for which the loan was received. Written verification of this forgiveness shall be provided by the LRAP Committee upon receipt from the recipient of written verification that:

- the recipient has maintained full-time, eligible public interest employment;
- the income and assets of the recipient have not changed materially since the date of application for the loan;
- the proceeds from the LRAP loan have been used to pay the recipient's student loan debts.

A form for this purpose will be provided to LRAP loan recipients and will also be available on the G.W. Law web portal.

D. Repayment

Recipients who remain in eligible employment after the first year of LRAP assistance will have all previous LRAP loans forgiven, and will not be required to repay such loans. A recipient will not qualify for complete LRAP loan forgiveness, however, if s/he leaves eligible employment during the period for which the award is made, as follows:

- If s/he leaves eligible employment within the first three months of a six-month award, s/he will be required to pay back the entire award.
- If s/he leaves eligible employment within the last three months of a six-month award, s/he will be required to pay back half of the award.

The LRAP Committee will consider a loan recipient's exigent circumstances in administering this requirement; however, recipients are expected to notify the Committee promptly and in writing of any change in circumstances.

VI. Changes in employment status or income

If a recipient changes or anticipates changing employment during the period for which s/he is receiving an LRAP loan, the recipient must notify the Committee immediately, in writing. If any new employment is also potentially eligible employment, the recipient must submit a new Continuation Application including a new Employer Certification. The Continuation Application should not include any other Attachments, except a wage stub from the new employer if one is available. The Committee will determine whether the previously-awarded loan should continue, should be adjusted during that or a following fiscal year, or whether the recipient no longer qualifies for LRAP assistance. If the recipient is not eligible for a continued LRAP loan, the recipient shall repay the loan already received for that period to the extent required in Section V.D., supra.

VII. Program Administration

The LRAP program is administered by the LRAP Committee, which is a subcommittee of the Law School's Pro Bono/ Public Interest Committee. Recipients will be selected by the same subcommittee.

A. Program Administrator

The Administrator will review and sort applications for LRAP assistance, process certifications and reapplications, oversee the sending and receiving of checks, review and verify financial aid and debt status of applicants, and participate in the selection process.

B. LRAP Committee

The LRAP Committee will update and revise the LRAP and its Program Description and Application Forms, disseminate applications and publicity, select among applicants for LRAP loans, assist in fundraising undertaken by the Law School to continue or expand the program, and provide other necessary oversight.

VIII. Policy on Equal Opportunity

The George Washington University does not discriminate against any person on the basis of race, color, religion, sex, national origin, age, disability, veteran status or sexual orientation. This policy covers all programs, services, policies and procedures of the University, including admission to educational programs and employment. The University is subject to the District of Columbia Human Rights Law. Inquiries concerning the application of this policy and federal laws and regulations concerning discrimination in education or employment programs and activities may be addressed to Val M. Berry, Chief Human Resources Officer, The George Washington University, 2033 K Street, NW, Suite 200, Washington, DC, 20052, (202) 994-9610, or to the Assistant Secretary for Civil Rights of the U.S. Department of Education.

In addition, the following disclaimer applies with respect to LRAP awards for military employees:

This employer discriminates against gay, lesbian and bisexual persons under the authority of 10 U.S.C. Section 654. The George Washington University policy on equal opportunity prohibits unlawful discrimination. The award of LRAP funds for military employment should in no way be construed as an endorsement of this employer's practice of discrimination.