



## **LOAN REPAYMENT ASSISTANCE PROGRAM (LRAP) ESTABLISHED AT THE LAW SCHOOL**

### ***Program Overview***

The St. John's University School of Law Loan Repayment Assistance Program ("LRAP" or "Program") provides financial assistance to qualified graduates by paying a portion of their law school educational loan debt. In keeping with the St. John's University Vincentian mission of service to others, the Program seeks to achieve two goals. The first goal is to enable graduates to select their employment without being precluded from public interest options because of financial impossibility. The second goal is to encourage St. John's law graduates to choose public interest careers. The School of Law recognizes that the legal community has a responsibility to provide services to people who cannot otherwise afford representation. Funding for the Program has been made available through the generosity of alumni and benefactors of the School of Law.

The Program provides benefits in accordance with section 108(f) of the Internal Revenue Code. An award will be made in the form of a loan to be canceled. After one year of qualified employment, the loan is forgiven. The amount of the Program benefits will be determined in accordance with the income, net worth, and level of indebtedness of the graduate.

The Program will be overseen by an LRAP Committee consisting of the University's Executive Director of Financial Aid, an administrator from the Law School's Office of Career Services, a member of the Law School Alumni who is involved in Public Interest work, and the Law School's Assistant Dean for Students, who serves as Chair of the Committee.

### ***Eligibility Requirements***

#### **Qualifying Employment**

"Qualifying employment," means a full-time, legal position, with a non-profit organization, representing traditionally underrepresented clients, groups, or interests, e.g., Catholic Legal Immigration Network, Inc. and Legal Services for the Elderly in Queens. Employment in government agencies, including District Attorney and U.S. Attorney offices, and the court system, while valuable public service experience, is not considered qualifying employment for the Program. However, employment in Legal Aid, public defender, and public guardianship programs is considered qualifying employment for the Program.

#### **Law School Educational Loan Debt**

The Program will pay a portion of the participant's law school educational loan debt, which is defined as formal debt incurred by the student for payment of educational expenses, up to the standard student budget at St. John's University School of Law – that is, loans for law school expenses under federally/institutionally approved and certified loan programs.

### **Maximum Salary Level and Income Ceiling**

In order to qualify for benefits under the Program, the LRAP Committee has determined that neither the applicant's public interest salary nor the applicant's annual income can exceed \$40,000. Income to be included for purposes of the benefits calculation includes adjusted gross income as determined by the Federal tax form, plus any untaxed income and voluntary retirement contributions. In the case of married graduates, the income figure used for calculations will be either the graduate's income or one-half of the joint income, whichever is higher. The adjusted gross income will be reduced by \$5,000 for the first minor dependent child and \$2,500 for each additional minor dependent child for purposes of the benefits calculation.

If examination of the tax form provided for calculation of benefits indicates possession of significant assets, 5% of the applicant's and spouse's gross assets, exclusive of the value of the primary residence, will be added to the adjusted gross income.

Annual payments for undergraduate debt will be subtracted from the adjusted gross income before benefits are calculated.

### **Prohibition of Default**

All participants in the Program must be current on their educational loan payments and have no outstanding balance on their University account. The University reserves the right to verify the participant's current payment status. Default and/or delinquency will disqualify an applicant from participating and will terminate any further assistance.

### ***Time Limitations on Program Entry and Participation***

Beginning with the Class of 2003, graduates are eligible to participate in the Program for a maximum of three years, within five years of entering the Program. Graduates may leave and re-enter the program at any time within the five-year period provided that they are otherwise eligible to participate in the Program. No graduate may enter the Program later than three and one-half years following the date of graduation, or the completion of a judicial clerkship.

Participants in the Program who take a leave of absence from their qualified employer, *i.e.*, maternity/paternity leave, or other reasons deemed appropriate, for up to a maximum of six months, will continue to receive full benefits during the leave of absence so long as their status as an "employee" is maintained. A participant who takes a leave of absence from qualified employment that extends beyond six months, or who is not considered an employee during the first six months, will not be eligible for benefits.

### ***Program Awards***

Awards will be in the form of a loan of up to \$4,000 per participant, per year, for up to three years, to assist in the repayment of the participant's law school educational loans. (Up to \$12,000/year will be available to fund initial loans.) Participants will receive one-half of the full year award on or about January 15<sup>th</sup> and June 15<sup>th</sup> of each year. The loans awarded under this Program will be forgiven one year from the date of issuance, provided that the graduate has remained in qualified employment for that year. If the graduate has not remained in qualified employment for the full year, the loan award will be prorated over a twelve-month period. That portion to which the graduate is not entitled to retain will become repayable to the Law School over a mutually agreeable term.

Participants receiving benefits under similar loan repayment assistance programs will have the amount of the St. John's award reduced by the amount of the other assistance. The maximum salary level, income ceiling, award cap, and aggregate cap will be reviewed on an annual basis by the LRAP Committee and may be adjusted as deemed appropriate and/or as funding permits.

Graduates may enter a loan consolidation program but are not required to do so in order to participate in the Program.

### ***Application and Recertification Procedures***

Graduates have three and one-half years from the date of their graduation, or completion of a judicial clerkship, in which to apply for the Program. Applications for graduates in qualified employment will be accepted between September 1 and November 1. All required documentation must be submitted with the application no later than November 1. The applicant is responsible for submitting a complete application by the established deadline. The application deadline may be extended for those graduates who begin qualified employment after that date, and the amount of any assistance will be adjusted accordingly.

To receive the second half of the annual disbursement, participants must file a Mid-Year Employer Recertification form no later by no later than May 1.

To receive benefits in each subsequent year, participants must reapply annually and must be recertified semi-annually by submitting the required documentation on or before November 1 and May 1, respectively.

### ***Repayment of Loans***

Loans provided to graduates under the Program will become repayable to the Law School on a pro rata basis, over a mutually agreeable time, if the graduate leaves qualifying employment before the end of the award year.