



The George Washington University Law School
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**LOAN REPAYMENT ASSISTANCE PROGRAM
(LRAP)
2019-2020 PROGRAM DESCRIPTION**

INTRODUCTION

The George Washington University Law School Loan Repayment Assistance Program (LRAP) provides limited financial assistance to GW Law School graduates who have taken out law school loans to help pay the costs of a JD degree and who are employed in qualifying law-related public interest or public service positions, as defined below. For those who are eligible, LRAP will repay to the graduate an amount not to exceed the annual amount that the graduate pays on interest and principal for those loans.

The GW LRAP is funded and operated through the GW Law School and should *not* be confused with the Federal Public Service Loan Forgiveness Program (PSLF) or other Income-Based Repayment (IBR) plans coordinated through the US Department of Education.

Determination of individual LRAP award amounts depends on the availability of GW Law School funding to the LRAP each year. Applicants must apply each year for a new LRAP award, and eligibility criteria and award amounts are subject to change. LRAP awards may only assist with law school debts associated with a GW Law School degree; undergraduate debts or debts from other graduate programs are *not* eligible.

ELIGIBILITY REQUIREMENTS – GENERAL

Applicants must have graduated from the GW Law School. Only loans disbursed for law school attendance are eligible (and may include loans received from other law schools for transfer law school students). Federal student loans through the US Department of Education are eligible as are Private Education Loans that were certified through the law school. Private “signature” loans or home equity loans that were used to pay education costs are not eligible.

EMPLOYMENT REQUIREMENTS

Applicants must be employed and paid for full-time work (35 hours per week, on average) in a qualifying “law-related” position as described below. The term “law-related” will be broadly defined, subject to the express exclusions set forth below. The position may not include any work on political campaigns for elected office.

- Individuals employed by an organization exempt from income taxation under either section 501(c)(3) or section 501(c)(4) of the Internal Revenue Code are eligible.
- Individuals employed by the executive branch of federal, state, or local governments are eligible.
- Individuals employed in the legislative branches of federal, state, or local governments are eligible **only** if they work for legislative committees or support organizations or offices, such as the Government Accountability Office or Legislative Counsel (Drafting) Offices. Individuals who work for the personal office of a legislator are **not** eligible.
- Individuals employed as law clerks to federal, state, or local judges are **not** eligible.
- Individuals with fellowships at otherwise qualifying organizations are eligible **unless** they are paid through the GW Law School Pathways to Practice (P2P) program.
- Individuals employed by legal aid or public defender organizations, broadly defined, are eligible, regardless of how the employer is organized and regardless of the source of its funding, including government and/or private sources.

- Individuals working for any other organization not specifically described above, regardless of how much public interest or public service work it provides, are ***not*** eligible.

The burden is on the applicant to establish all aspects of eligibility, which includes all required employer certifications.

AWARD CALCULATION

The LRAP award is calculated in two steps. First, the applicant’s gross salary from employment is adjusted (downward) by a [Locality-Based Comparability Factor](#) used by the US Office of Personnel Management. This adjustment to gross salary (LRAP Salary) accounts for cost of living differences across major cities and regions of the United States to arrive at the base General Schedule salary table used by OPM.

Only the applicant’s salary from eligible employment will be considered in making the LRAP award determination. Employer benefits, family status, other loans and liabilities, other sources of income, and other assets will not be considered.

Next, we use the LRAP Salary to determine how much of the applicant’s annual loan repayment will be covered. For the 2019-2020 year, we are using \$45,000 as our LRAP Salary reference. If the LRAP Salary is \$45,000 or less, the applicant will be eligible for 100% LRAP award. If the LRAP Salary is between \$45,001 and \$60,000, the annual loan repayment will be reduced by 25% of the amount of LRAP Salary above \$45,000. If the LRAP Salary is above \$60,000, the annual loan repayment will be additionally reduced by 50% of the LRAP Salary amount above \$60,000. In addition, no calculated award of less than \$100 per year will be paid (i.e., no de minimus payments).

This table of examples may help to illustrate the 2019-2020 calculations:

<u>Gross Salary</u>	<u>US Locality</u>	<u>OPM Locality Percentage Factor</u>	<u>Salary Adjustment by OPM Locality (LRAP Salary)</u>	<u>Annual Loan Repayment Amt</u>	<u>LRAP Award</u>
\$ 33,487	Washington, DC	29.32%	\$ 25,894	\$ 4800	\$ 4800
\$ 36,343	San Francisco, CA	40.35%	\$ 25,894	\$ 4800	\$ 4800
\$ 64,493	Washington, DC	29.32%	\$ 49,870	\$ 4800	\$ 3582
\$ 69,995	San Francisco, CA	40.35%	\$ 49,872	\$ 4800	\$ 3582
\$ 78,441	Washington, DC	29.32%	\$ 60,656	\$ 4800	\$ 722
\$ 85,130	San Francisco, CA	40.35%	\$ 60,656	\$ 4800	\$ 722

The formula utilized by the Law School in determining LRAP award eligibility will be reviewed each year by the Public Interest Committee to assure fairness and equity in making LRAP awards from a very restricted allocation of funds for the LRAP program.

Once the eligible amounts for all qualified applicants is totaled, if the total LRAP awards exceeds the available funding allocation, the LRAP committee will make equitable adjustments to all payments, with the goal of providing maximum assistance to those who qualify for the largest awards (i.e., those who demonstrate the greatest need) while still providing some repayment assistance to all eligible individuals. For this reason, no late applications will be considered after the established application deadline.

Other Loan Repayment Assistance

If the applicant is receiving any other type of loan repayment assistance in any form – another organization, a municipality, an employer, family, etc. – the amount of that assistance will be deducted when calculating any LRAP award.

CHANGES TO APPLICATION DATA

Any material change to the income stated on an award recipient's application (material = \$5,000 or more per year) - or any change in the recipient's employer or student loan debt – must be reported to the Financial Aid Office within 30 days of the change. Notification of the changes must be submitted in writing along with supporting documentation. The Financial Aid Office will review the new information to determine whether the current award will need to be adjusted within the same award year.

- Once a first disbursement has been paid to the applicant, any necessary award adjustments will be applied to the second disbursement within the award year.
- If the second disbursement has already been processed to the applicant and the original award has been paid in full, no LRAP award amounts previously disbursed must be repaid by the applicant.
- In case of fraud, subject to institutional investigation, any disbursed LRAP funds may be recovered and the award recipient will enter repayment status on the LRAP funds received.

TIMING AND REPAYMENT OF AWARDS

The LRAP Award Year runs from July 1, 2019 through June 30, 2020. All LRAP application data should be presented within the context of this Award Year definition. The application deadline for 2019-2020 will be September 30, 2019 with disbursements occurring in November 2019 and April 2020.

At the end of the award year (June 30, 2020), individuals who have received LRAP payments must certify that they used the funds to repay law school loans and that they remained eligible throughout the award year (July 1, 2019 – June 30, 2020). An updated Employer Certification Form will be sent to the awardee at this time. This form must be returned to the Law School Financial Aid Office no later than 60 days after the end of the Award period, otherwise the LRAP award will convert to a loan on which repayment is due (in accordance with the repayment terms described below) to The George Washington University.

Repayment

Award recipients who maintain eligible employment throughout the entire award year (July 1, 2019 through June 30, 2020) will have their full LRAP award forgiven.

Award recipients who discontinue eligible employment *after* an LRAP award has been made for the award year will be subject to award repayment, as follows:

- Employment eligibility ends within first quarter (July 1 – September 30) = first disbursement must be repaid by 50%; second disbursement will not be made.
- Employment eligibility ends within second quarter (October 1 – December 31) = first disbursement is forgiven; second disbursement will not be made.
- Employment eligibility ends within third quarter (January 1 – March 31) – first disbursement is forgiven; second disbursement must be repaid by 50%.
- Employment eligibility ends within fourth quarter (April 1 – June 30) - first disbursement is forgiven; second disbursement is forgiven.

In cases where repayment of the award is required to The George Washington University, formal repayment communications will be coordinated with the applicant through the Law School Financial Aid Office and the University's Student Accounts Office which is responsible for loan collections. The basic loan collection parameters for LRAP include:

- Annual Interest Rate = 4.00% per annum
- Length of Repayment = 2 years (24 equal monthly payments)
- Prepayments may be made without penalty.
- Payments are considered late if not made by the first date of each month.
- The loan will be declared to be in default when payment is not remitted when due.
- If an account is in default, GW may accelerate loan repayment (i.e., demand immediate payment of the entire unpaid balance, including principal, interest, collections and attorney's fees). GW may withhold University services on defaulted accounts, including but not limited to, the release of academic transcripts.
- If monthly payments are not made as required by the schedule established by GW, GW's collection efforts may include notification of credit bureaus concerning the defaulted status of the loan, repayment history,

and other relevant information, which may significantly and adversely affect the borrower's credit rating and ability to obtain additional credit.

TAX

LRAP award recipients should not expect the George Washington University to withhold or report to the Internal Revenue Service (IRS) on this loan forgiveness program. LRAP award recipients are entirely responsible for any taxes or tax consequences of an LRAP award, LRAP forgiveness, or an LRAP default, and are encouraged to seek independent legal advice for any questions about their particular tax situations.

PROGRAM ADMINISTRATION

The GW Law LRAP Program is administered by the Law School Financial Aid Office under the policy guidance of the Law School Public Interest Committee comprised of Law School faculty, staff, and students.

The Law School Financial Aid Office will review applications for new LRAP awards and renewal awards, including making preliminary award calculations for the Chair of the Public Interest Committee to review prior to official granting of awards.

Once an award has been made, a Promissory Note specifying the details of the award and forgiveness/repayment requirements will be sent to the awardee. The Promissory Note contains the specific terms of the award, so the awardee should always rely on those specific terms if different from this Program Description. No LRAP payment will disburse until the Promissory Note has been signed by the awardee and received by the Law School Financial Aid Office.

The Law School Financial Aid Office will then process actual award payments through the Law School Fiscal Operations Office and the University Accounts Payable Office for disbursement to the awarded applicant.

The Law School Financial Aid Office will also process employment certifications for purposes of determining qualification for LRAP award forgiveness or for notification to the University Student Accounts Office for loan collection in cases where qualified employment has not been fulfilled properly.

The Law School Public Interest Committee will review LRAP policies annually and make revisions as it finds appropriate in its discretion.

POLICY ON EQUAL OPPORTUNITY

The George Washington University does not unlawfully discriminate against any person on any basis prohibited by federal law, the District of Columbia Human Rights Act, or other applicable law, including without limitation, race, color, religion, sex, national origin, age, disability, veteran status, sexual orientation, or gender identity or expression. This policy covers all programs, services, policies, and procedures of the university, including admission to education programs and employment.