

# 2019 Loan Repayment Assistance Program Guidelines

## I. LRAP Overview

The District of Columbia Bar Foundation is a non-profit, tax-exempt charitable organization that supports legal aid providers in the District of Columbia. The Foundation's mission is to fund, support, and improve DC's civil legal aid network. One way that the Foundation improves DC's civil legal aid network is by providing loan repayment assistance to qualified attorneys working for an eligible employer in DC. This program, called the loan repayment assistance program (LRAP), has two main goals: (1) increase the number of experienced, skilled lawyers working on behalf of low-income DC residents; and (2) assist DC public interest lawyers who have incurred significant educational debt.

### A. Program Descriptions

The Foundation runs two LRAPs under a consolidated application process: (1) the publicly funded LRAP, referred to as "Public LRAP;" and (2) the privately funded LRAP, referred to as "Private LRAP." The Foundation decides in which program to place each applicant.

Although the programs share basic eligibility requirements, terms of assistance, and certification and disbursement schedules, there are two main differences between the two programs: the source of funding and residency of eligible participants. Public LRAP, officially called the DC Poverty Lawyer Loan Repayment Assistance Program, funds are made available to the Foundation through a public grant from DC's Office of Victim Services and Justice Grants. In comparison, private contributions made directly to the Foundation fund Private LRAP. Public LRAP is only available to DC residents, whereas there is no residency requirement for Private LRAP.

### B. Terms of Assistance

LRAP provides one-year, interest-free, forgivable loans, payable quarterly, with a 12-month service requirement. Participants' initial applications are for one year of assistance, beginning in January 2019 and ending in December 2019. The participant shall execute a promissory note provided by the Foundation. If the recipient maintains eligibility (see Section III) throughout the 12-month service requirement, the recipient's loan will be forgiven in January 2020. Participants may apply for subsequent loans thereafter (application typically released in September, due in October, with a January start), each subject to a 12-month service obligation. However, continued assistance is subject to the availability of funding, and the level of assistance depends in part on the number of qualified applicants.

### C. Contingent on Continued Funding

Continued operation of the program will depend on continuing availability of funding in succeeding years. Assistance will be provided only to the extent that funds are available.

## D. Extent of Assistance

A maximum of \$12,000 per year, to be distributed quarterly, may be awarded to each approved applicant. If the number of qualified applicants exceeds the pool of resources available for loan forgiveness, the Foundation maintains ultimate discretion in determining the level of assistance and the allocation of funds. Priority will be given to certain categories of applicants, as described in the “Determining Your LRAP Award” section on page 6, if eligible requests for assistance exceed the amount of available resources.

## II. Applicant Guidelines

### A. Eligibility

To be eligible for 2019 LRAP, you must answer “yes” to all of the following questions:

1. Are you a permanent employee at a DC legal aid provider or currently seeking employment with an eligible employer? Go to <https://dcbfoundation.org/lrap/eligible-employers/> for the current list of eligible employers. See below on applying for eligible employer status.
2. Do you work at least 17 hours a week in a position that requires a law degree?
3. Do you provide direct civil legal services to low-income DC residents?
4. Are you a graduate of an accredited law school?
5. Are you in good standing with the DC Bar; do you have a pending application for admission to practice law in DC; or are you authorized to practice law in DC under the provisions of Rule 49(c)(9) of the District of Columbia Court of Appeals?
6. If you are licensed to practice law in another state, are you in good standing?
7. Are all of your loans currently in satisfactory repayment status, or will your loans enter into repayment status by the end of 2019?
8. Do you expect your gross annual salary to remain less than \$89,553.92 in 2019?
9. If applicable, do you expect your joint adjusted gross income (AGI) to remain less than \$202,104.80 in 2019?

Further details regarding eligibility are given below.

#### 1. Eligible Employment

- a. Qualifying Employer: Applicants must be employed with a DC-based, non-profit, tax-exempt charitable organization that provides free civil legal assistance to the District’s low-income or underserved residents and that is eligible for funding from the Foundation. Government employment does not qualify. Please go to <https://dcbfoundation.org/lrap/eligible-employers/>.
- i. Become an Eligible Employer: Organizations seeking to be added to the 2019 list of eligible employers should apply online by 5:00 pm EST on October 18, 2018. The unique URL to begin an application will be posted [here](#) when it is available. Read instructions [here](#) about applying online. Any questions, please email [lrap@dcbfoundation.org](mailto:lrap@dcbfoundation.org). Requests for eligible employer status made

by e-mail or telephone will not be considered. Organizations may be approved at the Foundation's sole discretion. This process is only open once a year.

- b. Qualifying Employment: Applicants may be employed full-time (at least 35 hours/week) or part-time (at least 17 hours/week) in a position that requires a law degree. Assistance paid to applicants working part-time will be pro-rated.
- c. Qualifying Leave: Leave, such as family, medical, parental, and armed services leave, will be credited as qualifying employment for up to six months. This six-month limit is waivable at the discretion of the Foundation.

## 2. Income

- a. Annual Income Cap: The annual income cap increases by a 3% COLA every October. For 2019 LRAP, **applicants' individual annual income must be less than \$89,553.92 through September 30, 2019.** On October 1, 2019, the salary cap will increase by 3% to \$92,240.54. The Foundation uses a combination of the applicant's current salary and adjusted gross income (AGI) to gauge individual annual income. To verify both salary and AGI, the applicant's employer must verify his or her annual salary, and the applicant must provide his or her most recent federal income tax return. The applicant is required to inform the Foundation during the application stage and throughout the year about income from other sources and changes in annual income.
- b. Joint Income Cap: Applicants must report their partner's current salary and AGI from their most recent federal income tax return. The applicant's joint annual gross salary and AGI must not exceed \$202,104.80 through September 30, 2019. On October 1, 2019, the joint annual gross salary and AGI cap will increase to \$208,167.95.

## 3. Qualifications

- a. Education: Applicants must be graduates of an accredited law school.
- b. Bar Admission: Applicants must be: (1) licensed to practice law, and in good standing, in the District of Columbia; (2) licensed to practice law, and in good standing, with the bar of any state, with a pending application for admission to practice law in the District of Columbia; or (3) authorized under the provisions of Rule 49(c)(9) of the District of Columbia Court of Appeals to practice law in the District of Columbia.

## 4. Residency

- a. Public LRAP: LRAP funds appropriated under Public LRAP are available for District of Columbia residents only. Applicants must also work in the District of Columbia.
- b. Private LRAP: There is no residency requirement for Private LRAP, but all applicants must work in the District of Columbia.

## 5. Qualifying Loans

- a. Loan Repayment Status: Applicants' educational loans must be in satisfactory repayment status. Applicants must be making regular payments on each loan submitted for LRAP funding. If any loan or all loans are in deferment or forbearance at the time of application, they must come into repayment status by the end of 2019.
- b. Minimum Loan Payment: There is no minimum loan payment required for eligibility, although the Foundation will take the relative debt load of applicants into consideration when allocating benefits if funding is limited.
- c. Income-Driven Repayment Plans: DCBF does not accept applicants' submission of loan **estimates** due to a pending annual recertification under an income-driven repayment plan. In other words, if an applicant's loans are in [an income-driven repayment plan](#) and the date on which the applicant's annual recertification will be finalized falls after the due date of the DCBF LRAP application, DCBF will use the **most recent confirmed payment amount** to calculate the applicant's 2019 DCBF LRAP award. Therefore, it is advised that if an applicant's annual recertification date is after September 2018 (or the confirmed loan amount will not be provided by the lender until after the LRAP application due date) and would like the new loan amount to be used in the calculation of his or her 2019 LRAP award, the applicant needs to submit an annual recertification as soon as possible and provide the confirmed loan amount on the 2019 LRAP application. Otherwise, DCBF will use the most recent confirmed monthly payment amount to calculate the applicant's 2019 LRAP award (see Section II.C for more information). DCBF will not accept resubmissions of loan payment amounts after the application deadline.

The only exception to this is for applicants whose loans are in grace or deferment and will not come into repayment until after the LRAP application is due. These applicants will need to obtain an estimation from their lender and report this amount on their LRAP application in order for DCBF to calculate their 2019 LRAP award.

- d. Other Loan Repayment Assistance Programs: The Foundation's LRAP is an LRAP "of last resort," meaning all applicants must "exhaust all other available avenues for loan repayment assistance, including through participation in any available undergraduate or law school debt-forgiveness programs," as regulated by D.C. Code § 4-1704.03(5). This also includes loan repayment assistance programs provided by an applicant's employer, fellowship, or other organizations (i.e. AmeriCorps). In addition, applicants should seek to determine their eligibility for federal loan repayment programs, including the College Cost Reduction Act and income-driven repayment plans.

General loan repayment programs information is available at the Equal Justice Works website: [www.equaljusticeworks.org](http://www.equaljusticeworks.org). The Foundation maintains the

discretion to adjust any assistance awarded based on an applicant's apparent eligibility for another loan repayment program.

- e. **Eligible Debt:** Eligible debt under both programs includes *all educational debt* based on loans from commercial and government lending institutions, as well as university or other private institutional loans associated with educational debt. This includes undergraduate and graduate school loans, in addition to law school and bar study loans. Family and personal loans are not eligible for coverage.

## B. 2019 LRAP Application Process

### 1. Application Instructions and Requirements

The 2019 LRAP application will be available online mid-September and due late October. Please refer to the Foundation's website for the exact dates when they are confirmed.

First, read instructions on how to use the online application system [here](#). To start a new application, please use the unique URL that will be posted on the [LRAP Applications and Reports](#) page of the website when it is available. The application is divided into four main sections:

- a. **Applicant Certification Form:** The applicant must provide his or her contact information as well as information about his or her spouse/partner, residency, DC Bar membership, law school, employment, loans, and awards received from other loan repayment assistance programs.
- b. **Employment Certification Form:** Download the Employment Certification Form on the [LRAP Applications and Reports](#) page of the website. The applicant will complete, sign and date the top portion of the form, and the applicant's employer will complete, sign and date the bottom portion of the form. Upload the completed form to the correct attachment upload area on the online application.
- c. **Educational Loan Information:** For the section gathering information on your educational loans, you must report the amount of your current loan payments (see page 4 for information about income-driven repayment plans). Plus, you must provide the original and current balance of all your educational loans.

In addition to the information requested on the online application, there are two attachments required for the Educational Loan Information section. For an example of how to complete these two attachments, please see our website.

1. **School Loan Cover Sheet:** Download the School Loan Cover Sheet on the [LRAP Applications and Reports](#) page of the website. Referring to your payment history and account summaries and/or statements collected for the School Loan Verification Documents, please fill out the

School Loan Cover Sheet for *all current educational loans* (undergraduate, graduate school, law school, and bar study). For the current balance, please include *principal and interest*. Please see the top of the document for further instructions. Upload the completed form to the correct attachment upload area on the online application.

2. School Loan Verification Documents: In one PDF document, compile
  - (1) a loan payment history for July, August, and September 2018, and
  - (2) online statements and any other loan documents necessary, for *all current educational loans* that are listed on your School Loan Cover Sheet, to verify the following information:
    - i. Loan Administrator/Service (e.g. SallieMae, Mohela, Great Lakes, Discover, etc.)
    - ii. Loan Type (e.g. subsidized, unsubsidized, Grad Plus, private, etc.)
    - iii. Loan Status (e.g. repayment, deferment, forbearance, etc.)
    - iv. Loan Purpose, if provided on documents (e.g. name of law school or undergraduate university)
    - v. Original Balance
    - vi. Current/Outstanding Balance (*including interest*)
    - vii. Minimum amount due each month
    - viii. Monthly due date of loan payment
  
- d. **Other Attachments:** The applicant must submit his or her most recent Federal Income Tax Returns (we are looking for adjusted gross income) and current résumé. There is one area on the attachments section to upload any other documents that may be relevant to your application, such as a confirmation of your new repayment amount from your lender, an award letter from another loan repayment assistance program, or a letter from a part-time employer verifying another source of income. If you have multiple documents to upload, combine them into one PDF document.

## 2. Information Sessions

If you are a new applicant, you are required to attend an LRAP information session. Please RSVP to [lrp@dcbafoundation.org](mailto:lrp@dcbafoundation.org) for one of the following sessions:

- Tuesday, October 2<sup>nd</sup> from 6:00 to 7:00 pm at Weil, Gotshal & Manges LLP (2001 M Street NW, #600)
- Thursday, October 11<sup>th</sup> from 12:30 to 1:30 pm at Children's Law Center (501 3<sup>rd</sup> Street NW, 8<sup>th</sup> Floor)

### 3. Processing of Requests

The Foundation processes all applications with appropriate confidentiality. After compiling the total amount of the requests for assistance and determining the amount of forgivable loans that can be offered based on funding and the factors outlined in Section II.C below, the Foundation's Board of Directors reviews and approves all awards.

## C. Determining Your LRAP Award

For both programs, the Foundation follows selection guidelines and examines each eligible applicant's loan information to determine each LRAP award.

### 1. Selection Guidelines

The Foundation maintains the right to consider any relevant information in awarding loans and in setting the level of benefits for each applicant. Applicants are encouraged to provide the Foundation with all information that may assist in making these decisions.

### 2. Loan and Lender Verification

The Foundation examines all of the applicants' loan information and verifies the information provided on the School Loan Cover Sheet with the information on the School Loan Verification Documents. The Foundation may contact the applicant if the documents are not clear or if there are discrepancies. Two of the main discrepancies found are for loan purpose (undergraduate versus law school) and current balance (you must include *interest and principal amount*).

### 3. Calculating Your Award

Using the selection guidelines and loan information, the Foundation will verify that your loans are eligible for LRAP coverage. Then, for each eligible loan, the Foundation will sum the minimum amount due each month to determine the applicant's maximum eligible LRAP award, subtracting all other LRAP awards received from the applicant's law school, employer, or other provider. **The Foundation can only award up to the minimum amount due on each eligible loan.** In other words, the Foundation cannot provide you with an award greater than the minimum amount that you are required to pay in a year. The amount awarded to each eligible applicant is at the sole discretion of the Foundation and is dependent on the total amount of funding available.

### 4. Announcing and Receiving Your Award

Awards are typically announced at the end of December or early January via email. Applicants who receive an award *are required to meet with Foundation staff in January* to sign loan packages, discuss terms of assistance, and review the certification and disbursement schedule. You will not receive your first disbursement until this meeting occurs, you sign all loan documents, and you understand all terms of assistance. Failure to promptly execute documents may result in forfeiture of the loan.

### III. Participant Guidelines

Once you meet with Foundation staff, you are considered an “LRAP participant.” There are very strict requirements—such as eligibility, quarterly certifications, and service obligations—that you must follow once enrolled in the program. Failure to meet all requirements may result in repayment of all money you have received in LRAP for the year.

#### A. Change in Status

Participants are required to inform the Foundation immediately, in writing or via email ([lrp@dcbafoundation.org](mailto:lrp@dcbafoundation.org)), within 30 days of any change in status that would affect eligibility. This includes changes in:

1. Residency;
2. Employment (i.e. employer, title, hours worked per week, etc.);
3. Income;
4. Minimum amount due on loans;
5. Loan repayment status; and,
6. If applicable, changes in your partner’s income.

A change in any of these eligibility factors may affect continued assistance and ultimate forgiveness of the loan. If the minimum amount due on your loans decreases at any time, you must notify the Foundation immediately because your award will need to be adjusted. Participants who leave eligible employment before completion of the applicable service obligation will be required to repay the loan under the terms of the promissory note (see Section III.C for exceptions).

#### B. Quarterly Certification Requirements

Every quarter, participants must recertify their information in order to continue receiving an LRAP award, which is also disbursed on a quarterly basis via direct deposit. **The next disbursement will not be given until the certification for the past quarter has been received, is complete, and has been reviewed for eligibility.** All certifications are completed online; log in through [the main grantee portal](#) to access them. They are typically available two weeks before the certification’s due date. The certification and disbursement schedule will be given to all LRAP participants at their meeting with Foundation staff in January 2019. To give you a preview of the year, please see the summarized schedule below.

January 2019	<ul style="list-style-type: none"> <li>• Meeting with Foundation staff to review loan terms and sign documents</li> <li>• First disbursement deposited (disbursement covers participants’ January, February and March loan payments)</li> </ul>
March 2019	<ul style="list-style-type: none"> <li>• First Quarter Certification due (covers January to March)</li> <li>• Second disbursement deposited (disbursement covers participants’ April, May and June loan payments)</li> </ul>



June 2019	<ul style="list-style-type: none"> <li>• Midyear Certification due (covers April to June; must also submit Employer Verification form and January to June payment history)</li> <li>• Third disbursement deposited (disbursement covers participants' July, August and September loan payments)</li> </ul>
September 2019	<ul style="list-style-type: none"> <li>• Third Quarter Certification due (covers July to September)</li> <li>• Fourth disbursement deposited (disbursement covers participants' October, November and December loan payments)</li> </ul>
December 2019	<ul style="list-style-type: none"> <li>• End-of-Year Certification due (covers October to December; must also submit Employer Verification form and July to December payment history)</li> </ul>
January 2020	<ul style="list-style-type: none"> <li>• Loan forgiveness letters mailed</li> </ul>

### C. Forgiveness and Service Obligation Schedule

The Foundation's LRAPs require 12 months of qualifying service for each one-year loan. Participants may apply for and receive loans each year, and each new loan will require an additional 12 months of qualifying service in order to be forgiven in full. Service obligation periods may be consecutive and run January 1 to December 31 of the year in which the participant is receiving the LRAP award.

If a participant becomes ineligible at any point during the 12-month service obligation, the participant must repay all funds that have been received since the beginning of the LRAP year. Ineligibility includes leaving eligible employment, receiving a salary that exceeds the individual or joint income cap, being disbarred, and failing to perform any other obligation required under the Promissory Note (executed at time of award). Participants must repay all funds received from the Foundation within 12 months of their final date of eligibility.

There are two exceptions to this 12-month service obligation:

(1) A participant who is involuntarily terminated from eligible employment, is in good standing with LRAP otherwise, and provides the Foundation with adequate notice will not need to repay. Involuntary termination covers loss of employment due to financial issues at the place of eligible employment; it does not cover loss of employment due to the participant's job performance. He or she will only need to return any funds received for the period between the date of involuntary termination and the end of the calendar year.

(2) Those who have participated in LRAP for three or more years and have been in satisfactory status the entire time (i.e. received forgiveness for each of those years) may be eligible for forgiveness at any time during the LRAP year if they withdraw voluntarily from eligible employment. The participant shall be required to return any funds received for the period between the date of voluntary withdrawal from eligible employment and

the end of the calendar year. Please refer to D.C. Code § 4-1704.05(d) for more information.

#### **D. Income Tax Liability**

The Foundation intends and believes in good faith that the discharge of loans issued by the Foundation under this program would not create taxable income for loan recipients under the Internal Revenue Code, based on the exemption provided by 26 U.S.C. Section 108(f), as amended. Nevertheless, each recipient is responsible for determining his or her income tax liability and making all required disclosures to the Internal Revenue Services and any other taxing entity.

### **IV. Resources and More Information**

If you have any questions regarding the Foundation's LRAP, please read the Checklist and Common Application Mistakes, Example for Attachments B and C, and other pages on our website at <https://dcbarfoundation.org/lrap/>.

Another great resource for other loan repayment assistance programs throughout the country is Equal Justice Works' website at [www.equaljusticeworks.org](http://www.equaljusticeworks.org).

If you have specific questions regarding eligibility or the application, please email the Foundation directly at [lrap@dcbarfoundation.org](mailto:lrap@dcbarfoundation.org).