

LOAN REPAYMENT ASSISTANCE PROGRAM (LRAP)

ELIGIBILITY: LRAP eligibility and participation is based on three factors: employment in a qualifying public interest position, income/financial eligibility, and law school educational debt.

- Qualifying Public Interest Employment

The applicant's primary employment must be in a law-related public interest position. Law-related means that the position must substantially utilize the legal training and skills of the graduate. Public interest is defined as work with:

- 1) a not-for-profit organization whose primary purpose is to serve or advocate on behalf of individuals or organizations whose interests are not adequately represented by the private sector or the government and that qualifies for tax exemption under IRS Code §§ 501(c)(3) or (c)(4);
- 2) any local, municipal, county, state, or federal government agency or entity.

A graduate who is employed as a Public Interest Fellow, whose employer is paying his/her loans under the terms of the fellowship, shall receive credit toward his/her public interest commitment while serving as a fellow. Public Interest Fellows who do not receive complete loan repayment from their fellowship would be eligible for LRAP funds if they meet program eligibility requirements. However, Fellowship benefits must be the primary provider; LRAP funds would be a secondary provider. A graduate who is employed as a Judicial Clerk and who is intending to work in the public interest following the clerkship is eligible for loan repayment assistance as long as his/her salary does not exceed the LRAP salary cap. If the clerkship salary exceeds allowable maximums, only time credits will be earned for the duration of the clerkship.

- Income/Financial Eligibility

In order to qualify for initial LRAP benefits, an applicant's qualifying income may not exceed \$55,000 for single filers or \$85,000 for joint filers. This salary cap will be increased for each additional year of "LRAP-eligible" employment (five-year maximum) demonstrated by returning LRAP applicants. The cap for single filers will be increased by \$2,500/year; joint filers will receive a \$4,000/year increase. Qualifying income is determined by adjusting an applicant's projected income by the factors described below. If the applicant's circumstances show a special need not accounted for in the following deductions, the LRAP administrator may adjust the qualifying income as appropriate to reflect a more accurate income projection for the year.

Qualifying factors are:

1. **Child Deduction:** A deduction equal to the IRS dependent allowance in any given year will be allowed for each dependent child.
2. **Undergraduate/Postgraduate Educational Debt:** Although the LRAP cannot help repay prior educational debt, qualifying income will be reduced by the annual amount paid in this debt service provided the required documentation is submitted. With documentation, income will also be reduced by the annual amount of educational debt service of a spouse/partner.
3. **Child Care Expenses:** Documented child care expenses, up to a maximum of

\$5,000/year, will be subtracted from qualifying income.

4. Medical Deduction: Medical deductions allowable for tax purposes are recognized as essential expenditures and are deductible.

5. Adjustments to qualifying income may also be made in cases where an applicant demonstrates sizable net worth. (Net worth is defined as total assets minus total debt.)

The LRAP Board reserves the right to adjust the income cap to take into account reasonable cost of living increases and/or other extenuating circumstances.

- Qualifying Educational Loans

Only indebtedness incurred for and applied toward an applicant's law school education, such as Stafford, Perkins and other private educational loans, qualifies for repayment assistance. LRAP does not assist in repaying any prior educational debt, bar loans or other indebtedness. For purposes of determining maximum qualifying indebtedness, an applicant's "cost of attendance" as calculated by the Rutgers University Financial Aid Office shall apply.

LEAVES OF ABSENCE: Upon Board approval, a participant may be eligible to take up to two years leave of absence from the program for family care, relocation, debilitating injury or illness, etc. During the period of approved leave, he/she is not eligible for repayment assistance. However, upon resuming qualifying employment, the graduate will again be considered eligible for program assistance. Requests for a leave of absence must be made in writing and submitted to the LRAP administrator.

ADDITIONAL PROVISIONS: Applicants must submit an application and all required documentation to the LRAP office by the application deadline each year in which they wish to be considered for an award. Recipients have a continuing responsibility to provide updated personal, financial and/or employment information to remain eligible for assistance. If a recipient voluntarily leaves public interest employment before fulfilling his/her commitment, the LRAP Board reserves the right to request repayment of the LRAP loan(s). If a recipient involuntarily leaves public interest employment before fulfilling this commitment (e.g., lay-off), he/she is not eligible to receive program funds during the lay-off period. However, if he/she returns to qualifying employment within a reasonable time, he/she will be entitled to reconsideration for assistance without penalty. If a prior recipient becomes ineligible due to a salary increase that exceeds maximum income limitations, the recipient will not be eligible for further LRAP funds, but will continue to receive credit towards his/her public service commitment if employment in the public interest continues.