

# **Loan Repayment Assistance Program**

## **Notre Dame Law School**

Effective for calendar year 2018

Revised December 2017

### **Program Description**

The Notre Dame Loan Repayment Assistance Program (LRAP) assists recent graduates in repaying student loans they incurred earning a J.D. degree. LRAP provides loans to graduates so that they can in turn make payments on their student loans. The Law School forgives LRAP loans once a graduate has spent one year in a qualifying public interest or public service legal job while participating in LRAP and has submitted all necessary documentation. This document sets out the general guidelines the Law School uses in awarding LRAP benefits. The Law School reserves full discretion to select the eligible graduates each year to receive loan repayment assistance and to modify LRAP at any time.

### **Which graduates are eligible?**

Any J.D. graduate of Notre Dame Law School who expects to work in a qualifying public interest or public service legal job during the following year, who expects to earn an annual salary under \$70,000 (after LRAP adjustments described below), and who owes principal on eligible loans, can apply for LRAP assistance for the following calendar year. Eligible graduates may receive loan repayment assistance for a maximum of ten consecutive calendar years starting with the January immediately following their graduation from the Law School.

### **How can graduates apply for LRAP assistance?**

The Program operates on a calendar-year basis. The distribution of funding under the Program is determined separately each year. Eligible graduates, whether or not they have previously received assistance under the Program, must submit an application each year by November 1st to be considered for loan repayment assistance in the following calendar year. Benefits are awarded for one calendar year at a time. The application form and information are available on the LRAP web page.

A graduate who has not yet received an offer of qualifying employment before the November 1st application deadline but who is seeking or plans to seek such employment and expects to receive an offer by March 1st of the following year may apply for loan repayment assistance contingent upon receiving and accepting such an offer. Such a graduate must complete an application by the November 1st deadline and must include in his or her application information about the specific jobs for which the graduate has applied and when a decision is expected.

### **What qualifies as a public interest or public service position?**

An eligible graduate must hold or have accepted full-time employment that directly uses the skills and knowledge gained from the graduate's legal education to perform public interest, public service, or other similar employment. Public interest includes work for not-for-profit

organizations that provide legal services to a low-income population or that serve the public good. Public service means work for a governmental body, including public defender and prosecutor positions and military employment. Certain positions in state and federal courts, such as staff attorney positions, may qualify as public service. Public service does not include judicial clerkships for individual judges in federal courts or in the highest court in a state. Positions in the Law School's Bridge to Practice Program are not considered qualifying employment. The Law School has discretion to determine whether a position is considered qualifying employment, including the discretion to disqualify employment that contradicts the teachings of the Catholic Church.

### **How is income eligibility calculated?**

Income eligibility is based on the graduate's gross salary for the qualifying public interest or public service position, including bonuses, overtime or any other compensation such as any basic allowance for housing or subsistence if either is received as a direct result of employment. The gross salary will be adjusted downward for the following:

1. \$4,150 for each child under the age of 24 who would qualify as the graduate's dependent under the Internal Revenue Code, and
2. Non-J.D. student loan payments that will be due during the calendar year.

The graduate's annual salary, adjusted for those deductions, is the "LRAP Adjusted Salary." A graduate with an LRAP Adjusted Salary below \$70,000 is eligible for LRAP benefits.

LRAP does NOT consider assets, spousal income, or income that is not derived from the graduate's qualifying public interest or public service position.

### **Which student loans are eligible for LRAP assistance?**

To qualify for loan repayment assistance, an eligible graduate must have personally incurred student loans totaling \$10,000 or more, processed and approved by a law school or university financial aid office, to finance the cost of earning a J.D. degree. Qualifying loans include those incurred while enrolled in a J.D. program either at Notre Dame Law School or, for transfer students, at another law school where the transfer student completed the first year of legal studies. Student loans from both the government and private financial institutions are eligible for LRAP assistance.

Loans incurred in connection with an LL.M. or J.S.D. degree are not eligible for loan repayment assistance. If a graduate earns a joint degree, loans associated with the non-J.D. portion of that degree are also excluded from LRAP benefits. For example, tuition and costs for Notre Dame's 4-year joint J.D./M.B.A. degree are allocated 62.5% to the J.D. degree and 37.5% to the M.B.A. degree. Loan payments on non-J.D. student loans are included as deductions from gross salary.

Bar loans are not eligible for loan repayment assistance and are not factored into deductions from gross salary.

## **How are benefits calculated?**

If a graduate's LRAP Adjusted Salary is \$55,000 or less, the Law School will provide the graduate with a loan ("LRAP loan") to cover 100% of the graduate's actual payments on eligible J.D. loans that will become due during the year the repayment assistance is provided (calculated using a repayment period of at least 10 years on eligible J.D. loans). If a graduate's LRAP Adjusted Salary is between \$55,000 and \$70,000, the Law School will provide an LRAP loan on a sliding scale to cover a portion of the graduate's payments on eligible loans. The following formula will be used to calculate the percentage of the graduate's payments that will be covered by LRAP loans:

$$1 - ((\text{LRAP Adjusted Salary} - 55,000) / 15,000) \times 100$$

The table below is provided for illustrative purposes to demonstrate the shares of a graduate's loan payments that will be covered by LRAP or by the graduate at various salary levels.

<b>LRAP Adjusted Salary</b>	<b>LRAP Contribution to Loan Payments</b>	<b>Graduate's Contribution to Loan Payments</b>
\$55,000 or less	100%	0%
\$57,500	83.3%	16.7%
\$60,000	66.7%	33.3%
\$62,500	50.0%	50.0%
\$65,000	33.3%	66.7%
\$67,500	16.7%	83.3%
\$70,000 or more	0%	100%

If a graduate receives benefits from another loan repayment assistance program that are intended to help the graduate make monthly payments on law school loans (such as a government or employer-based loan repayment assistance program), the Law School will reduce the amount of any repayment assistance under this Program on a dollar-for-dollar basis.

LRAP loans are subject to a cap set annually by the Law School. For 2018, the cap on annual benefits will be \$15,000 per participant.

## **When and how are LRAP loans provided to participants?**

LRAP loans are typically disbursed in six-month increments to assist graduates in making future monthly J.D. loan payments. For example, graduates typically receive a disbursement in January as an advance to assist with J.D. loan payments during the first half of the calendar year and a second advance in July to assist with student loan payments during the second half of the calendar year. A portion of any advance may have to be repaid if the graduate's employment or financial circumstances change during the year.

### **How do graduates earn forgiveness of their loans?**

If a graduate completes twelve months of qualifying employment after the graduate's first day of participation in LRAP, the Law School will completely forgive any of the graduate's outstanding LRAP loans after the graduate provides verification of that time in qualifying employment. Once a graduate has earned full forgiveness, LRAP loans for any subsequent periods the graduate spends in qualifying employment will be forgiven after the graduate provides the required verification.

### **How can I familiarize myself with Program requirements?**

A more detailed description of all Program requirements will be sent to all recipients and posted on the LRAP web page. It is important that LRAP recipients read and follow these requirements.

### **Who administers LRAP?**

LRAP is administered by Program Coordinator Catherine Kustner ([ckustner@nd.edu](mailto:ckustner@nd.edu)) and Program Administrator Catherine Roemer ([croemer@nd.edu](mailto:croemer@nd.edu)), together with a faculty LRAP Advisory Committee.