

Emory University

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School of Law  
1301 Clifton Rd., NE  
Atlanta, Georgia 30322

## **March 2008**

### **LRAP PLAN FOR CLASSES OF 2004 - 2008**

#### **EMORY UNIVERSITY SCHOOL OF LAW LOAN REPAYMENT ASSISTANCE PROGRAM (LRAP) DESCRIPTION**

##### **I. INTRODUCTION**

Because of the Emory University School of Law's ("Law School") desire to facilitate students' ability to accept public interest jobs upon graduation, Emory has developed a loan repayment assistance program (LRAP). The program offers financial assistance to students who choose to go into lower-paying public interest employment and who have accumulated substantial debt from Law School educational loans. Specifically, Emory will provide a loan to a qualifying graduate to help with his or her annual Law School loan payments. After completing one (1) year of Eligible Employment, the Emory LRAP loans to the graduate will be entirely forgiven.

##### **II. ELIGIBILITY REQUIREMENTS**

A. Eligible Classes. This program, subject to annual review and modification, applies to Law School J.D. graduates, beginning with the class of 2004. Graduates must apply no later than February 16, 2009, to be guaranteed eligibility for the LRAP; late applications may be considered if funds are available.

Graduates are only eligible to apply to participate in the LRAP for a period of five consecutive years beginning with and including their first year of participation, subject to the leave of absence described in Section II.G., below. An example of the application of this rule is as follows: a graduate who first enters the LRAP Program in 2009 would be eligible to apply for subsequent LRAP loans in 2010, 2011, 2012, and 2013.

B. Eligible Employment. Only graduates working in Eligible Employment will qualify for the LRAP. "Eligible Employment" is defined as follows: a full-time job practicing law that requires a Juris Doctor degree; that qualifies as "Public Interest Work," as defined below; and that meets the income eligibility requirements of Section II.C.

"Public Interest Work" is defined as: (1) work for an organization qualifying for tax exemption under Internal Revenue Code section 501(c)(3) and exempt from tax under section 501(a); and/or (2) work for federal, state, or local government. For purposes of

this plan, federal judicial clerkships are not considered eligible employment. Whether work undertaken outside the United States qualifies as “Public Interest Work” under the terms of the LRAP will be considered by the LRAP Committee on a case-by-case basis.

C. Income Eligibility. Qualifying graduates will be eligible to receive loans according to the following schedule:

1. If the graduate’s income, as defined below, is less than or equal to \$40,000 per year, the Law School will loan the graduate an amount equal to 100 percent of his or her annualized Law School debt amount owed (i.e., the monthly loan payment for each loan multiplied by 12 months), subject to a cap of \$6,000 per year and subject to the LRAP Program cap described in paragraph 3, below.
2. If the graduate’s income is greater than \$40,000 but less than or equal to \$48,000, the Law School will loan the graduate an amount equal to 100 percent of his or her annualized Law School debt amount owed (i.e., the monthly loan payment for each loan multiplied by 12 months), subject to a cap of \$3,000 per year and subject to the LRAP Program cap described in paragraph 3, below.
3. The annual budgetary cap for the LRAP Program is \$120,000. In the event that total requests by eligible graduates for LRAP Program assistance in any one fiscal year exceed this cap, the Law School may make pro rata disbursements to all eligible graduates.

For purposes of the LRAP, “income” means gross income as defined by Section 61 of the Internal Revenue Code, and includes, among other things, the graduate’s annual salary, and allowances provided by an employer for living quarters and subsistence. Income, for purposes of the LRAP, also includes all income not subject to tax. Any unearned income received during LRAP participation, including, but not limited to, tax-free income from investments or trusts, inheritances or gifts, and child support payments received, must be treated as income in the year of its receipt. For purposes of LRAP, “income” is further defined in Section II.D. and II.E.

The maximum eligible income for plan participation is \$48,000. This amount may change by an amount determined by the LRAP Committee for each subsequent year of plan participation.

D. Spouse’s or Domestic Partner’s Income. In determining income for purposes of a graduate’s program participation, a graduate who is married or has a domestic partner (as defined by Emory University Human Resources) will be treated as having the higher of: (1) his or her individual income; or (2) half of the joint income. Any required graduate school educational loan payments for the spouse or domestic partner will be subtracted from that spouse’s or domestic partner’s annual income. In the event that both are applicants under the LRAP and each spouse or domestic partner has an annual income under the LRAP income ceiling, each spouse or domestic partner will be treated as having half of the joint income.

E. Dependents Allowance. The graduate's annual income will be decreased by \$3,000 for each of the graduate's qualifying dependents. Qualifying dependents will be determined by the LRAP Committee.

F. Qualifying Loans. For purposes of this plan, all Law School educational loans are included in the graduate's total debt. Qualifying loans include institutionally approved and certified Law School loans such as federal Stafford, federal Perkins, federal Graduate Plus, and private education loans administered through the Emory University Financial Aid office. Bar review loans do not qualify for the LRAP. The committee administering the LRAP has the discretion to determine whether other loans or debts not listed above qualify. It is an assumption of this program that a graduate's loans are at standard rates of repayment; otherwise qualifying loans which have been accelerated will not be eligible for the LRAP.

G. Leave of Absence. Graduates may take one one-year leave of absence from employment for medical or other significant reason (such as maternity leave) without violating the eligibility requirement under Section II.C., or going into loan repayment under Section III., below, upon written request of, and approval by, the LRAP Committee. During an approved leave of absence, a graduate will not be eligible for a loan or loan forgiveness under the terms of the LRAP.

H. Default. Graduates who are in default on qualifying educational loans shall not be eligible for participation/continued participation in the LRAP program.

I. Loan Forbearance/Deferral. For purposes of receiving benefits from this plan, a graduate must be making educational loan payments. A graduate cannot receive an LRAP loan unless he or she is in repayment status by, or within 30 days of, the application deadline and will remain in repayment status throughout the term of each of his or her LRAP loans. Questions about repayment status should be directed to the LRAP Administrator.

### **III. LOAN FORGIVENESS AND REPAYMENT**

A. Loan Forgiveness. After the graduate completes one (1) year of Eligible Employment, 100% of the graduate's Emory LRAP loan shall be forgiven.

B. Loan Repayment.

1. A loan made to a graduate may be required to be repaid if the graduate does not remain in Eligible Employment for one (1) year (unless the graduate is on an approved leave of absence), or otherwise defaults under the terms of the LRAP loan. The loan will go into repayment on the earlier of:

(a) the first day of the month that falls after 60 days have elapsed from the date the graduate left Eligible Employment; or

- (b) the date on which the graduate otherwise defaults under the terms of any LRAP loan.

Interest charges will be assessed on the unforgiven portion of any LRAP loan which goes into repayment, with the interest rate set at the fixed rate of 5% per annum. In addition, the participant will follow the repayment schedule set forth by Emory University. Interest shall begin to accrue from the first day of the repayment period. The term of the LRAP loan shall be for no more than two (2) years (inclusive of any period of deferment) from the start of repayment.

2. Notwithstanding anything contained in this LRAP Description to the contrary, the graduate certifies, by making application for the LRAP, that all information provided to Emory in connection with the LRAP is true and correct. If it is determined that a graduate has supplied, or caused another to supply, false information, the graduate shall be terminated immediately from participation/continued participation in the LRAP and all loans previously made under the LRAP to the graduate must be immediately repaid with interest. Interest, in such circumstances, will be calculated at the fixed rate of 5% per annum from the date of the first LRAP loan.

#### **IV. APPLICATION AND LOAN DISBURSEMENT PROCEDURES**

A. LRAP Application Procedures. Graduates applying for plan participation must submit an LRAP application and submit, or cause to be submitted, the following documents:

1. Proof, from a qualified employer, of employment and salary (Employer Certification Form), and, as requested, job requirements;
2. Annual salary information;
3. A list of educational debts, including the lender's name and telephone number, the date of origination, and the time that repayment begins;
4. A copy of the graduate's and any spouse's or domestic partner's complete Federal income tax return, as filed with the Internal Revenue Service, for each of the most recent two (2) tax years. If you were not required to file a tax return in either of the most recent two (2) tax years, you must provide an explanation; and
5. Any clarification, verification, certification, or follow-up documents as requested by the LRAP administrator, LRAP Committee, or other University offices, from the graduate or his or her spouse or domestic partner.

Forms are available at the Law School web site at [www.law.emory.edu/lrap](http://www.law.emory.edu/lrap).

Graduates must report any salary increases or changes in employment, employer-paid or non-employer-paid loan assistance, name, address, telephone number, e-mail address, or Social Security number. Income estimates and other information are subject to verification.

B. LRAP Application Deadline. The application date for the LRAP program is February 16, 2009; the applicant's completed application form must be received no later than this date, in order to be considered for participation in the program. The items specified in Section IV.A., above, must be received by Emory at the time of application. Funds are disbursed to each participant in a lump sum (see Loan Disbursement Procedures in Section IV.C., below, for details).

Once a participant has been admitted to the program, it is that participant's responsibility to re-apply each year for continued assistance. All graduates are hereby advised that LRAP terms change from year to year (see Section VIII below) and that participation under one set of terms and conditions in a particular year does not ensure that those same terms and conditions will apply to a graduate's participation in the LRAP program in subsequent years. **Each year the LRAP participant must re-submit all of the information requested above.**

C. Loan Disbursement Procedures. The Emory University Bursar's Office will distribute funds to the qualifying graduate. Funds will be distributed in a lump sum.

The University makes LRAP loans directly to the graduate and in no way assumes responsibility for the graduate's primary obligation to repay the original lender. The purpose of the LRAP program, however, is to assist graduates in paying their Law School educational loans so that they may obtain employment in public interest work, and failure to use LRAP funds for Law School educational loan repayment purposes may mean that all loans previously made under the LRAP to the graduate must be immediately repaid with interest. Interest, in such circumstances, will be calculated at the fixed rate of 5% per annum from the date of the first LRAP loan.

## V. TAX INFORMATION

Graduates are strongly advised to consult with their individual tax consultants regarding the tax treatment of any loan or any other tax consequences of participation in the LRAP program.

## VI. PLAN ADMINISTRATION

The Emory LRAP will be administered by a committee composed of faculty, staff, alumni, and the Dean or his or her designee. The committee will continually review the program and suggest changes as appropriate. Emory University reserves the right, at any time and in its sole discretion, to make decisions and interpretations regarding the

LRAP program, to make changes to the LRAP program, and/or to cancel the LRAP program.

All applications for participation, and any questions about this plan, should be directed to the attention of Ms. Brooks Seay, Associate Dean for Finance and Administration, Loan Repayment Assistance Program, Emory University School of Law, 1301 Clifton Rd., Atlanta, GA 30322 (brooks.seay@emory.edu). The University Bursar's Office is responsible for disbursement of funds.

## **VII. LOAN REPAYMENT ASSISTANCE FROM EMPLOYERS OR OTHER NON-EMORY SOURCES**

All LRAP applicants must advise Emory as to whether they are receiving loan repayment assistance from their employer or other source besides Emory. In the event that a graduate is eligible to participate in any non-Emory loan repayment assistance program, the graduate may participate in the Emory LRAP Program only under one of the options described below:

- (a) the graduate certifies that he or she is not receiving any loan repayment assistance from graduate's employer or other source besides Emory and graduate is otherwise qualified under the terms and conditions of the LRAP Program; or
- (b) the graduate certifies that he or she is receiving loan repayment assistance from graduate's employer or another source apart from Emory, and the amount of such loan repayment assistance, together with the graduate's income, as defined by Section II, above, does not exceed the maximum eligible income of \$48,000 for plan participation, provided that prior to the making of any LRAP loan to the graduate, Emory and the graduate's employer or other non-Emory source of assistance verify the details of the respective amounts, terms, and conditions of loan repayment assistance to the graduate, and the graduate otherwise qualifies under the terms and conditions of the LRAP Program.

Any misrepresentation by a graduate as to whether or not the graduate is receiving any loan repayment assistance from the graduate's employer or other non-Emory source, or as to the amount of any such assistance, shall mean that all loans previously made under the LRAP to the graduate must be immediately repaid with interest. Interest, in such circumstances, will be calculated at the fixed rate of 5% per annum from the date of the first LRAP loan.

## **VIII. PLAN REVISIONS**

The total amount of dollars committed to the LRAP and the program components will be reviewed annually. Emory reserves the right to make any changes in plan provisions or overall program funding in any given year.