

Emory University

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School of Law  
1301 Clifton Rd., NE  
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**February 2005**

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

**I. INTRODUCTION**

Because of the Law School's desire to facilitate students' ability to accept public interest jobs upon graduation, Emory has developed a loan repayment assistance program (LRAP). The program is designed to offer 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 lend money to a qualifying graduate to help with his or her annual Law School loan payments. After completing 3 years 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 J.D. Emory University School of Law graduates in the class of 2004. Graduates must apply no later than February 15<sup>th</sup> following their date of graduation to be eligible for the LRAP.

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 sections 501(c)(3) or 501(c)(4); and/or (2) work for federal, state, or local government. For purposes of this plan, federal judicial clerkships are not considered eligible employment.

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 below \$35,000 per year, the Law School will loan the graduate an amount equal to half 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 \$4,000 per year and subject to the LRAP Program cap described in paragraph 3, below.
2. If the graduate's income is between \$35,000 and \$42,000, inclusive, the Law School will loan the graduate an amount equal to one-third 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 \$4,000 per year and subject to the LRAP Program cap described in paragraph 3, below.
3. The annual budgetary cap for the LRAP Program is \$80,000. In the event that total requests by eligible graduates for LRAP Program assistance in any one fiscal year would 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 tax-exempt income. 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 \$42,000. This amount may change by an amount determined by the LRAP Committee for each subsequent year of plan participation.

A graduate must first apply to enter the LRAP no later than February 15th following graduate's date of graduation, with the exception of graduates pursuing otherwise ineligible one or two year federal judicial clerkships or fellowships following graduation, who must apply by the February 15<sup>th</sup> following the conclusion of their clerkship or fellowship. 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 2005 would be eligible to apply for subsequent LRAP loans in 2006, 2007, 2008, and 2009.

D. Spouse's or Domestic Partner's Income. In determining income for purposes of a graduate's program participation, the 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 Stafford, Perkins, Law Access Loans, Law Student Loans, and Emory Eagle Loans. 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 or LRAP 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 graduate('s) LRAP loans. Questions about repayment status should be directed to the LRAP Committee.

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

A. Loan Forgiveness. For any graduate in qualifying employment less than 2 consecutive years, unless on an approved leave of absence, all funds advanced for loan repayment are repayable in full. Once the graduate becomes an LRAP participant, loan forgiveness shall take place according to the following schedule, provided that in each case all program requirements are met: (1) at the end of the second year of qualifying employment, 50% of the total Emory LRAP loans will be forgiven; (2) at the end of the third year of qualifying employment, 100% of the total LRAP loans will be forgiven. The graduate is responsible for notifying the Law School of the anniversary of graduate's second year of qualifying employment, and of the anniversary of each subsequent year of qualifying employment.

B. Loan Repayment.

1. Loans made to graduates will not go into repayment so long as the graduate remains in eligible employment or is on an approved leave of absence, even if the graduate's income level rises to the point at which new benefits are precluded.

If a graduate leaves eligible employment before two consecutive years have elapsed or before the LRAP loans have been 100% forgiven, or if the graduate otherwise defaults under the terms of the LRAP loan, then the unforgiven portion 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;
- (b) sixty days from the date notice is sent to the graduate at their last known address of the need for confirmation and verification information concerning plan participation, unless acceptable confirmation or verification is provided by the graduate during such period; or
- (c) 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 loans which go 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 five (5) 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, including loans previously forgiven, will be immediately due and payable 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 3 tax years. If you were not required to file a tax return in any of the most recent 3 tax years, you must provide an explanation;
5. An agreement to report any salary increases or changes in employment, employer-paid loan assistance, name, address, telephone number, or social security number; and
6. 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 Emory University School of Law web site at [www.law.emory.edu/cms/site/index.php?id=211](http://www.law.emory.edu/cms/site/index.php?id=211). Income estimates and other information are subject to verification.

B. LRAP Application Deadline. The entry date for the LRAP program is the February 15<sup>th</sup> following the graduate's date of graduation; the applicant's completed application form must be received prior to this date in order to be considered for participation in the program. The items specified in Section IV.A, above, and completed Employer Certification form and lender verification request forms, 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 reapply 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 resubmit 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 constitute a default under the loan terms.

## **V. TAX INFORMATION**

Graduates are strongly advised to consult with their individual tax consultants regarding the tax treatment of any loan forgiveness 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 should be submitted to the attention of Ms. Brooks Seay, Director of Finance and Administration, Loan Repayment Assistance Program, Emory University School of Law, 1301 Clifton Rd., Atlanta, GA 30322. The University bursar is responsible for disbursement of funds.

Any questions about this plan should be directed to Ms. Catanja Nichols at [cnichols@law.emory.edu](mailto:cnichols@law.emory.edu).

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

All LRAP applicants must advise Emory as to whether or not 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/she graduate 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/she graduate 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 \$42,000 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 graduate's employer or other non-Emory source, or as to the amount of any such assistance, shall constitute a default pursuant to Section III., B., 2.

### **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.

### **IX. ADDITIONAL INFORMATION AND LRAP LOAN TERMS**

This Description is intended to provide an overview of the LRAP program and its eligibility requirements. All borrowers under the LRAP program should consult their promissory notes and other loan document for additional loan terms.