

LOAN REPAYMENT ASSISTANCE PROGRAMS

THE PROGRAM

Every year, a number of University of Pittsburgh School of Law graduates dream of a career serving those who receive inadequate or no legal assistance, by pursuing advocacy work in the public's interest or serving the people through public sector employment. However, these new lawyers face a substantial challenge. It is especially difficult for new law graduates with substantial student loan debt to take lower-paying jobs that would enable them to pursue their dream. The Law School recognizes that the legal community has a responsibility to serve others and seeks to support its students in pursuing a broad range of career choices. This program has been adopted in the hope that it may begin to remove obstacles to graduates interested in choosing a career of service and will serve as the foundation of a sustainable, permanent program of loan repayment assistance. Under the Pitt Law Loan Repayment Assistance Programs (LRAP), participating graduates receive an annual sum of money, in the form of a forgivable loan, to pay a percentage of their monthly student loan payment.

Pitt Law has three loan repayment assistance programs: the Pitt Law Loan Repayment Assistance Program, the H. Rowena Herring Family Loan Repayment Assistance Program, and The Honorable Gary L. Lancaster Award for Public Interest or Service LRAP.

Pitt Law Loan Repayment Assistance Program

The Loan Repayment Assistance Program provides direct financial assistance to qualifying Pitt Law graduates who enter public interest careers by contributing a set sum of money to their student loan payments. Pitt Law graduates may apply for consideration if they are enrolled and actively working towards the federal Public Service Loan Forgiveness.

H. Rowena Herring Family Loan Repayment Assistance Program

The H. Rowena Herring Program will assist a graduate working in an area of public interest related to child welfare. Preference will also be given to recent graduates who are residents of Pennsylvania. Pitt Law graduates must work full-time in an area of public interest related to child welfare. Pitt Law graduates may apply for consideration if they are enrolled and actively working towards the federal Public Service Loan Forgiveness.

The Honorable Gary L. Lancaster Award for Public Interest or Service

The Honorable Gary L. Lancaster Award will assist a recent graduate working in the area of public interest or service. Qualified graduates must be a western Pennsylvania resident from under-represented backgrounds, who graduated from the Law School with high academic achievement. Recent Pitt Law graduates may apply for consideration if they meet the requirements for the Pitt Law Loan Repayment Assistance program as well as submission of a letter of recommendation.

SUMMARY

What is the Loan Repayment Assistance Program?

The Loan Repayment Assistance Programs provides direct financial assistance to qualifying Pitt Law graduates who enter public interest careers by contributing a set sum of money to their student loan payments. A committee appointed by the Dean administers the program.

What is the Value of LRAP?

The average starting salary for a public interest attorney, nationally, is \$54,393. The average Pitt Law graduate in 2020 had \$104,225 in student loan debt (law school only) resulting in a monthly payment of \$1,1244 with approximately thirty-three percent (33%) of his/her salary committed to repayment of student loans. The high level of debt service obligation may preclude some graduates from pursuing their desired careers in public interest work. The LRAP is an important step towards ensuring that the next generation of Pitt Law graduates will include those able to afford public interest careers.

Who may apply?

Pitt Law J.D. graduates may apply for consideration if they are enrolled and working towards the federal Public Service Loan Forgiveness (PLSF).

How much does LRAP pay? LRAP pays the annual income repayment amount towards a qualified graduate's loan payment or a maximum of \$3,500 annually. The amount of funds available for LRAP may not be sufficient to make payments to all qualifying applicants, and in all events, the Law School has discretion to determine the recipients of funding and the funding levels.

APPLICATION INFORMATION

Program Administration

LRAP is administered by the LRAP Oversight Committee (the "Committee"), a committee appointed by the Dean of Pitt Law. The Committee's responsibilities include but are not limited to:

- Promulgating and interpreting LRAP rules and regulations so as to avoid potential program abuses;
- Notifying all LRAP participants/awardees of LRAP requirements;
- Reporting annually to the Law School community on the progress of LRAP, on any eligibility changes, and on the financial condition of LRAP;
- Considering positions not listed in the employment eligibility provisions as qualifying for admission to LRAP; and
- Reviewing and adjusting annually the various schedules contained in this document in consideration of prevailing economic conditions.

In addition, the Committee will recommend to the Dean the applicant (s) who will receive funds through LRAP. In consideration of the confidential nature of the financial information required of LRAP applicants, applicants' names, dates of birth and social security numbers will be withheld from the Committee. Additionally, Committee members who can otherwise ascertain the applicant's identify and/or who may not be in a position to make an objective decision regarding a candidate's application may recuse themselves from the consideration process. After reviewing the committee's recommendation, the Dean shall make the final decision.

Eligibility

Applicants must meet each of the following criteria:

- J.D. graduate of Pitt Law;
- Employed full-time with a qualifying employer (see below);
- Must be actively participating in the federal Public Service Loan Forgiveness Program; and
- Must not be delinquent or in default on educational loans.

Application Deadlines

Graduates must apply for loan repayment assistance following graduation. Applications must be received no later than December 31st. Award decisions will be made by February 1st.

Duration of Eligibility

Participants can receive benefits for no more than three (3) years of qualifying employment; however, participants must reapply each year. Participants are responsible for repaying any student loan debt still outstanding after their eligibility period has expired.

What is Qualifying Employment?

Qualifying employment includes work for legal services, non-profit organizations that qualify for tax exemption under IRS Code Sections 501(c)(3), (4), or (5), public defender offices, prosecutor offices (i.e., district attorneys, state attorneys general, U.S. Department of Justice, U.S. Attorneys) and other (inter)governmental offices. The position must be one that requires a Juris Doctor degree. In the future, the Committee may establish future guidelines to expand the program into categories of employment that satisfy the purposes of the LRAP but are not nonprofit organizations.

Income Requirements

Applicants must report income from all sources including salary, interest, alimony, child support, spousal/domestic partner support, assets, or any other source. The Committee reserves the right to deny eligibility in any individual case if projected income does not appear to reflect an applicant's true financial need. In the event funding is insufficient to provide awards to all qualified applicants, applicants with the greatest need, lowest income, and a demonstrated commitment to public interest work will be accorded priority in funding. The size of the overall debt is not dispositive; however, the Committee will consider each candidate's individual circumstances.

Assets

- Net assets include equity in a house, other real estate and investment equity, cash, savings and checking accounts, stocks, bonds, and trusts, minus commercial and consumer debts. No maximum asset level exists for LRAP eligibility. An applicant's assets, however, will be considered in determining the applicant's need.

Eligible Loans

Short-term emergency loans awarded by Pitt Law are specifically excluded from calculation of the applicant's indebtedness, for purposes of this application. Any other outstanding need-based institutional loans incurred (while enrolled at Pitt Law, in undergrad and/or in a graduate program) are considered:

- Direct unsubsidized loans borrowed to attend Pitt Law are included.
- Loans from the Law School or from an external lender are included.
- Loans to attend an institution other than Pitt Law may be included.

Leaves of Absence

A participant in the LRAP is allowed to take a leave of absence from the program for up to one year for such purposes as pregnancy, family leave, care of children, illness, disability, relocation, and other appropriate reasons as approved by the LRAP Oversight Committee. During this period the graduate is

not eligible for new LRAP assistance or forgiveness of any previous loans, but repayment of LRAP loans is not necessary. If the participant does not return to the program within one year, LRAP loans become payable to the extent not forgiven.

Benefits

Participants receive assistance in the form of a loan that is forgiven a calendar year after the date on which the loan was made, as long as the participant remains in qualifying employment, Section 108(f) of the Internal Revenue Code details the requirements for tax-free forgiveness of these loans. However, **participants are urged to consult a tax advisor regarding their potential tax liability.**

LRAP participants are issued a check. LRAP pays a fixed amount towards a graduate's actual total loan payments. Participants are required to execute a promissory note to the school in the amount of the award payment.

Changes in Graduate's Financial Condition

Participants are eligible based upon participant annual AGI and monthly loan obligations on eligible loans. If either of these figures changes, LRAP eligibility can be affected. Any changes in income or loan payments must be communicated to the Committee immediately or risk suspension from LRAP.

Termination of Participants for Cause

If, upon verification, the Committee determines that a participant has not used the LRAP proceeds for payment of educational loans, the Committee will terminate the recipient's participation in LRAP and will seek repayment of any award amounts already loaned.

Application Procedure

Applications can be submitted

Via mail: Attn: LRAP, Barco Law Building • 3900 Forbes Ave • Pittsburgh, PA 15260

Or via email: lawfa@pitt.edu

Applications must be supported by each of the following:

- A resume
- statement of monthly income-based repayment amount for federal loans
- summary of all federal student loans from www.studentaid.gov and
- summary of any private educational loans with monthly repayment amount
- confirmation of enrollment in the federal Public Service Loan Forgiveness Program
- Employer Certification for consideration for H. Rowena Herring Family LRAP
- Letter of recommendation for The Honorable Gary L. Lancaster Award.

Subsequent Application Procedure

Participation in LRAP will be on a year-to-year basis only. Once a graduate is awarded a forgivable loan, it is his/her responsibility to reapply the following year for continued assistance. If a graduate's annual income rises to more than 400% of the Federal Poverty Guidelines after the first year of participation, the participant will be ineligible for a subsequent award.

Disclaimer

By implementing this program, Pitt Law makes no guarantees as to the future funding or permanent existence of this program. The Law School reserves the right to terminate or modify the program or any of its provisions at any time. Benefits will be paid only to the extent that funds are available and the program continues to exist.