

VANDERBILT UNIVERSITY LAW SCHOOL LOAN REPAYMENT ASSISTANCE PROGRAM (LRAP)

The Vanderbilt University Law School Loan Repayment Assistance Program assists graduates who practice law in the public interest to repay student loan debt incurred while in law school. The accumulation of education loan debt may affect career choices for Vanderbilt law graduates, since public interest positions pay traditionally low salaries. It is the goal of the program to assist Vanderbilt students in making career choices without regard to educational debt and to increase the likelihood that graduates will be able to work in their jobs of choice while repaying loans.

In addition to the repayment program, Vanderbilt uses its scholarship program to reduce the educational debt of many students. Many graduates who choose to work in public interest organizations will enter the profession with a lighter debt burden as a result of grants awarded during law school.

Eligibility

Students who have outstanding educational loans incurred while enrolled at Vanderbilt Law School, and who are engaged in full-time public interest work are eligible to participate in the program. Public interest work includes employment in the public sector and in non-profit organizations that represent persons or organizations that could not otherwise obtain these services.

Eligible recipients must be using their legal skills in a position that requires passage of a bar examination. Graduates engaged in private practice or pursuing judicial clerkships are NOT eligible.

In order to be eligible for the Vanderbilt LRAP program graduates must participate in the Public Service Loan Forgiveness Program with loans consolidated through the William D. Ford Federal Direct Loan Program. Participants will be eligible to participate in the LRAP program for a maximum of ten years.

Documentation to determine eligibility will be required annually. Each applicant must supply information on the nature of employment, annual salary, annual loan debt, and any other financial information required by the Law School.

Eligibility will be determined by income. Net worth and assets will not be factors unless Vanderbilt receives more applicants than can be served by available funds. The dean may then consider net worth and assets in choosing among applicants.

Determination of Loans

The Loan Repayment Assistance Program (LRAP) will provide a percentage of each lawyer's annual loan repayment on law school indebtedness. Based on a sliding scale, the Law School

will give qualified graduates from 20% to 50% of their annual loan repayment. Each six months, the Law School will provide the graduates with a new loan, which will be forgiven provided the lawyer continues to work in the public interest for six months. The amount of the new loan will be based on the lawyer's income and loan payments. A maximum salary, above which a graduate is not eligible to participate in the program, will be established annually. A sliding scale, based on the maximum salary, will determine the percentage of loan repayment. For example, if a lawyer's yearly loan payments are \$5,000 and his or her income is below \$34,000, the Law School will send the graduate checks payable to his/her lender(s) in February and in September in the total amount of \$1250. This check will be accompanied by a promissory note, requiring that the amount be repaid **only if** the graduate does not continue in public interest work for six months. So long as the graduate remains in public interest work for the six months, the note will be forgiven. Participants may receive checks for their lenders bi-annually or on a monthly basis, provided the monthly LRAP payment is \$50 or more.

The current sliding scale is as follows:

Income above \$50,000 - **not eligible**
Income of \$45,000 - \$49,999 - 20% of annual loan debt
Income of \$40,000- \$44,999 - 25% of annual loan debt
Income of \$37,000-\$39,999 - 33% of annual loan debt
Income of \$34,000 - \$36,999 - 40% of annual loan debt
Income below \$34,000 - 50% of annual loan debt

Married graduates and those with domestic partners are considered to have available one-half of the joint income of the couple. The joint income is calculated by combining both incomes, less a \$10,000 deduction from the spouse's/domestic partner's income, and less the spouse's/domestic partner's annual educational loan repayment. A \$5,000 deduction per dependent will also be allowed.

Participants who establish long-term public interest careers will be assigned increasing salary caps calculated from the annual maximum for eligibility. A \$5,000 increase will be added to the salary caps for every three years of service. For example, if the maximum salary for a first-time participant is \$40,000, a lawyer in his/her fourth year of practice will have a \$45,000 ceiling, and in the seventh year a ceiling will be \$50,000.

Application Process

The program operates on a fiscal year basis and initial loans are awarded *eight (8) months after graduation*. This time interval takes into consideration the grace period for educational loans, along with a sufficient time frame for graduates to be licensed and employed in their respective positions.

Upon request, the Law School will provide an information packet which includes: 1) the LRAP application, 2) the Employer Certification form, which confirms the employment status and salary level, and 3) verification (pdf, screenshot or copy of recent monthly statement) on each lender with information pertaining to the type of law school loan, the amount outstanding on the

loan, and the monthly or quarterly payment. Contact Felicia Vaden, Administrative Manager in the Legal Clinic, at 615-322-4713 or felicia.vaden@vanderbilt.edu.

In addition to the application, the Employer Certification form and lender verification documents, a copy of your signed Employer Certification for Public Service Loan Forgiveness (PSLF) must be forwarded for our files. Forms and instructions for the PSLF program are available at: <http://www.equaljusticeworks.org/ed-debt/students/public-service-loan-forgiveness/track-your-progress>.

Vanderbilt Law School may also request other documents, including a copy of the graduate's annual income tax return.

Applications and other information forms will need to be completed by January for February disbursement and by August for September disbursement of each year. Participants in the LRAP program *must reconfirm* status of their employment twice a year and the lender information once a year.

Participation in the LRAP program is determined on a twice yearly basis. It is essential that each participant reapply each January and July and provide information regarding status in order to maintain eligibility.

Both the available funds and number of applicants will determine the ability of the Law School to assist all eligible graduates who apply for the LRAP grants. It may become necessary to set priorities among applicants by the income level and aggregate debt. Changes in the program may be necessary as funds for this program shift and the level of interest of graduates in public service changes from year to year.

Revised 06/12/15