



January-June 2019 Loan Application and Information

Introduction

The Loan Repayment Assistance Program of Minnesota (“LRAP” or “LRAP MN”) exists to support recent law graduates in choosing employment in the public interest and in retaining such employment. To fulfill this mission, LRAP provides annual loan repayment assistance awards to help recipients repay their education loan expenses.

Forgivable Loans

LRAP’s assistance is awarded in the form of forgivable loans. These loans are intended to be tax-free¹ to recipients upon their discharge (forgiveness) following completion of a period of service and proof that the loan was used to repay the recipient’s Qualifying Student Loans. The 2019 Loan Application is an application for a series of **two (2)** forgivable loans—provided at the beginning of each calendar quarter from January–June 2019. Each loan is approved separately prior to issuance. Loans will be forgiven following each calendar quarter, provided the recipient has remained in Qualifying Employment through the quarter and shows the required proof of repayment of Qualifying Student Loans.

Receipt of one or more loans during the 2019 loan cycle is not a guarantee that additional loans will be approved. Approval of additional loans during the 2019 loan cycle will be denied if the loan recipient has a change in income that renders him or her ineligible for a loan, if the loan recipient leaves Qualifying Employment and does not immediately secure new Qualifying Employment, if the loan recipient fails to provide the required proof that he or she has used the LRAP loans to repay his or her Qualifying Student Loans, or if LRAP determines in its discretion that it has failed to meet its revenue expectations during the loan cycle.

Eligibility for Loans

A. Law School Graduation:

Each applicant must be:

- a) a graduate of a Minnesota law school working full-time in Qualifying Employment; or
- b) a graduate of an American Bar Association accredited law school working full-time in Qualifying Employment in Minnesota.

¹ Each recipient remains responsible for determining his/her own federal tax liability and making all required disclosures to the Internal Revenue Service and any other taxing entity.

Individuals may reapply for benefits for up to fifteen years (15) or until the year in which his/her Qualifying Student Loans are repaid in full, whichever occurs first. The receipt of benefits in one year is not a guarantee of receiving benefits in subsequent years.

B. Qualifying Employment:

Applicants must document full-time employment at a 501(c)(3) or 501(c)(4) nonprofit organization by the time LRAP-MN payments begin.

Funding shall only be given to attorneys working in Qualifying Public Interest Organizations whose primary function is to provide legal advice or representation based on financial eligibility criteria and/or to attorneys working in Qualifying Public Interest Organizations whose primary function is to provide support services for the provision of legal advice or representation based on financial eligibility criteria. See <https://lrapmn.files.wordpress.com/2018/02/program-guidelines-current.pdf> for more details about Qualifying Employment.

C. Qualifying Student Loans:

Qualifying Student Loans are loans from an institutional source that have been used to finance an applicant's undergraduate education, law school education, and/or a joint degree program in which one degree was a juris doctor. Loans from family members and other non-institutional sources are not Qualifying Student Loans. An applicant who is in default on a loan is eligible to apply, although that individual may be required by LRAP to make all payments required by his or her lender to get out of default.

D. Income Cap:

The income caps in the chart below apply based upon the applicant's years of experience. *Generally, individuals may only apply if their gross income from all sources does not exceed the applicable income cap based on years of experience. However, some legal aid providers recently increased salaries, so applicants who exceed the caps for their years of service should still apply.*

An applicant who received an LRAP-MN award in the immediately preceding award cycle may request an exemption from the income cap. If an exemption is granted, LRAP reserves the right to cap any award or adjust any award to a lower percentage of income-driven repayment amount covered.

<u>Years of Experience in Qualifying Employment</u>	<u>Applicant's Gross Income From All Sources</u>
0-2	\$55,000
3-5	\$59,000
6-8	\$63,000
9-11	\$67,000
12-15	\$69,500

Applicants with previous public interest employment may be eligible for additional years of experience in qualifying employment. Previous qualifying employment must meet LRAP's Qualifying Employment criteria identified in Part B, above.

Selection of LRAP Recipients and Determination of Loan Amounts

LRAP recipients are selected based on the eligibility criteria outlined in LRAP's Program Guidelines. However, LRAP reserves the right to identify and use additional selection criteria. An Awards Committee appointed by LRAP's Board of Directors makes recommendations to the Board regarding eligibility and the size of loan amounts. The Board of Directors makes all final decisions regarding eligibility and loan amounts. In determining the size of loan amounts, the Board may consider the relative financial need of applicants. All decisions of the Board of Directors are discretionary and final. Applicants will be notified by mail of the results of their applications. Applicants who are awarded an LRAP loan will receive additional information and instructions in the mail, including a loan agreement and promissory note.

University of St. Thomas Loan Repayment Assistance Program

As part of its long-standing collaboration with the Minnesota law schools, the Loan Repayment Assistance Program of Minnesota administers the University of St. Thomas School of Law Loan Repayment Assistance Program. Graduates of the University of St. Thomas School of Law who submit to the Loan Repayment Assistance Program of Minnesota a 2018 Loan Application and a University of St. Thomas School of Law Application Addendum will be considered for eligibility for the University of St. Thomas School of Law Loan Repayment Assistance Program and the Loan Repayment Assistance Program of Minnesota. All awards will be distributed through the Loan Repayment Assistance Program of Minnesota. For details regarding the University of St. Thomas School of Law Loan Repayment Assistance Program, please follow this link and scroll to V-4 (pages 131-138) https://www.stthomas.edu/media/schooloflaw/PolicyManual_11_16_17.pdf

Instructions for 2019 LRAP Loans

All application materials, including attachments, are due on or before November 1, 2018.

Complete §§ ① - ③ of the 2018 Loan Application.

Note: Although LRAP loans are determined without consideration of sex, race, ethnic origin, or language skills, this information is requested for statistical purposes. These statistics help attract funding for the program and your response is appreciated. However, you may choose not to respond and that choice will not impact your application in any way.

Attach a copy of your final law school transcript (unless you are or have been an LRAP recipient) or have the law school send the transcript directly to LRAP. Transcripts need not be official.

Attach the original *Employment Verification Form*, signed by an authorized person at your place of employment. Your application cannot be processed without this form.

If you believe your prior employment meets LRAP's Qualifying Employment criteria, check the applicable box in § ③ of the application. If applicable, contact LRAP to request a special employment verification form for your previous employment and attach this form to your application.

Complete § ④ Education Debt Information of the 2018 Loan Application.

Note: Only payments made through income-driven repayment plans on Federal Direct Loans qualify for Federal Public Service Loan Forgiveness through the College Cost and Reduction Act of 2007.

Applicants may retrieve all of their federal loan information at the National Student Loan Data System website at http://www.nslds.ed.gov/nslds_SA. Non-federal loan information is available on an individual's credit report. Applicants can receive a free credit report at the Annual Credit Report website at <https://www.annualcreditreport.com/cra/index.jsp>.

New and returning applicants must submit verification of all education debt listed in this section of the application. Documentation must include verification of **remaining debt principal**. Acceptable verification documents include:

- Year 2017 Form 1099 from your lender.
- Current repayment schedule from your lender.
- Verification from your lender on lender letterhead.

If you are eligible to receive loan repayment assistance from another source, indicate this on the application and attach a letter detailing the amount and conditions of the assistance.

Complete § ⑤ Income Information of the 2018 Loan Application.

Submit a copy of your 2017 Form 1040, 1040A, or 1040EZ, including all schedules, attachments, and amendments. If you've reported day care costs, please submit

documentation verifying your day care expenses (e.g., IRS Form 2441 or a bill from your provider).

Because LRAP is intended to be a program of last resort, the amount of loan repayment assistance provided by LRAP-MN may be reduced by the amount of an applicant's assets that exceed the applicable Asset Cap listed below. **Excluded** from consideration are home, car, farm (if it is applicant's residence), and retirement accounts (e.g., IRAs, pensions, etc.). Only one home and one car per licensed driver is excluded. The applicant is not required to live in the home. Applicants with non-excluded assets in excess of the asset cap must submit an additional form with each application. Applicants should contact LRAP MN to request the form.

Years of Experience in Qualifying Employment	Asset Cap
0-2	\$18,000
3-5	\$20,000
6-8	\$22,000
9-11	\$24,000
12-15	\$26,000