

SOUTH TEXAS COLLEGE OF LAW

STUDENT LOAN REPAYMENT ASSISTANCE PROGRAM

MISSION STATEMENT

South Texas College of Law (STCL) created a loan repayment assistance program in 2007 to empower graduates to pursue public interest career paths.

GOAL

The STCL loan repayment assistance program (STCL-LRAP) is administered by the law school with funding from the Fred Parks Endowment. It seeks to assist a minimum of five STCL graduates annually who engage in direct civil representation of poor Texans by providing loan assistance payments of \$400 per month.

Recipients

Attorneys are eligible for loan repayment assistance through this program if they work full-time for any Texas program that is: a) a recipient of Texas Equal Access to Justice Foundation (TEAJF) funds, b) a recipient of Legal Services Corporation funds, or c) a Texas non-profit that provides civil legal services if at least 50% of the services provided are free to Texans whose income is 175% of federal poverty guidelines or less.

Specific Recipient Criteria:

To be eligible for consideration for the Program, the Applicant must meet the following requirements:

1. Submit the application form and supporting materials as requested by the South Texas College of Law Financial Aid office.
2. Applicants must document full-time employment with an eligible organization. Full-time is defined as 35 hours or more per week.
3. Applicants must be graduates of South Texas College of Law within the last ten years, with preference given to those who have graduated within the last five years. Applicants must have passed the Texas Bar Exam or been admitted to the Texas Bar through reciprocity by the time of their first LRAP loan payment.
4. Applicants must be a member of the State Bar of Texas (SBOT) in good standing prior to receiving their first LRAP loan payment and at all times during the LRAP payment period.
5. Applicant's salary cannot exceed \$50,000 annually, and household income cannot exceed \$90,000 per year, with preference given to households with the highest student debt-to-income ratio.

Loan Structure & Administration

The recipients receive forgivable loans rather than grants. The LRAP loan recipients shall apply an amount at least equal to LRAP loans to repay their existing educational loans.

Educational Debt

Undergraduate and law school debt, and debt incurred in joint degree programs, where one degree

is a Juris Doctor, may be covered due to the difficulty in tracking law school-only loans within currently consolidated loans. All institutional loans used for educational expenses may be covered under this program. Loans from family and other private sources are not eligible.

Applicants must submit documentation verifying educational loan debt and repayment schedules to the South Texas College of Law Financial Aid Office. An applicant who is in deferment or forbearance must remove it prior to receiving any LRAP payment. An applicant who is in default on a loan is ineligible to apply for LRAP assistance.

Applicants are required to provide the original principal amount for each federal loan (Stafford, SLS, Perkins, etc.) and, for unsubsidized loans, the principal amount plus the capitalized or accrued interest at the time of graduation. Additionally, applicants are required to provide current balance(s) and current monthly payment(s) to the South Texas College of Law Financial Aid Office.

Applicant's calculated educational debt will be used in calculating rankings of the candidates. In this calculation, any grace period being extended by a lender will be ignored. Grace periods may, however, affect the actual awards made, in that award amounts will never exceed actual payments made.

Income Calculation

All resources available to applicants, including applicant's income and spouse/domestic partner earnings will be included in the calculation of LRAP income. To be eligible for LRAP program benefits, the applicant's annual household income must be \$90,000 or less, and annual individual income must be \$50,000 or less. Income from employment plus all other sources of income (including spouse's or domestic partner's income, alimony, child support, part-time jobs, rental income, etc.) must be reported to the South Texas College of Law Financial Aid Office. A prior year's LRAP award is not included in the calculation of LRAP income. LRAP requires an applicant to submit the previous year's income tax information to verify income data. This is accomplished by submitting to the South Texas College of Law Financial Aid Office a copy of applicant's complete 1040, 1040A or 1040EZ, including all relevant schedules, attachments and amendments. The LRAP formula for determining income for eligibility, however, is not based on the tax code.

LRAP income for purposes of determining eligibility is calculated on projected annual income from qualifying employment and other sources for the grant cycle. The grant cycle starts September 1st and ends August 31st of each year.

A domestic partner is defined as a significant other with whom the applicant shares a long-term, committed relationship, including a shared residence and shared household expenses.

Rank-Order of Need

Applicants will be rank-ordered by the South Texas College of Law Financial Aid Office, from highest need to lowest need, based on the calculated annual student loan debt and current income ratio.

Secondary Selection Criteria

The LRAP decision-making will focus primarily on recipient's calculated annual payments due on educational loans to income ratio. The program also strives to assist legal aid programs in hiring in rural areas, in specialized areas of law, and in maintaining a diverse pool of attorneys. To these ends, the decision makers may take into account when awarding LRAP loans: geographic diversity, program diversity, and gender/racial/ethnic diversity.

Applicants are invited to provide other pertinent information. That stresses any extraordinary efforts they have made to reduce their loan debt, explain unusual income information, or otherwise highlight extraordinary circumstances that may help South Texas College of Law when determining how to allocate LRAP loans.

Selection of LRAP Recipients

Selection of recipients will be made by South Texas College of Law according to the above stated criteria. South Texas College of Law reserves the right to modify or identify additional selection criteria. The LRAP program reserves the right to adjust the amount of loan repayment given in response to the availability of resources in any given year.

Notification of Assistance

Applicants who are selected as LRAP recipients will be mailed promissory notes prepared by Accounting Services, with their award notices. The promissory note must be signed and returned to the Financial Aid Office. Promissory notes not signed and returned by announced date will result in forfeiture of the LRAP loan award.

Payments

Loan repayment benefits will not begin until receipt by the South Texas College of Law Financial Aid Office of the signed promissory note. Payment is made either to the LRAP recipient or directly to the lender as repayment of the applicant's educational loan debt payment. If payment is made directly to the LRAP recipient, the LRAP recipient must submit to the South Texas College of Law Financial Aid Office satisfactory evidence that the payment has been used to repay the LRAP recipient's student loans. Recipients will receive a copy of the check if it is sent to the lender as confirmation of payment. LRAP repayment will, in no instances, be more than the amount of loan repayment required of the recipient in any quarter (i.e. forbearance, grace periods, etc.).

Taxability

The Taxpayer Relief Act of 1997¹ permitted qualified organizations to develop loan repayment programs so that loan forgiveness based on public service employment is not considered taxable income to the recipient in certain circumstances.² Under 26 USC 108(f), as amended by the Taxpayer Relief Act of 1997, student loans canceled after August 5, 1997 in exchange for public service employment generally do not cause the borrower to have taxable income, provided certain

¹Pub.L. 105-34 (1997).

²26 U.S.C. 108 (f).

requirements are met.³

Programs providing loan repayment assistance must issue loans via an educational institution, a tax-exempt organization or the government. 26 USC 108(f)(2). Recipients cannot perform services for the organizations administering the loans.

The LRAP program has attempted to provide maximum potential tax benefits to its recipients. However, each individual recipient remains responsible for any positions taken on his/her own income tax returns. The LRAP program does not give recipients tax advice. Recipients are encouraged to seek legal advice for their tax questions.

Renewal of Benefits

In subsequent years, LRAP recipients may complete an abbreviated renewal application. LRAP recipients will automatically receive an application for renewal benefits for the next grant cycle, September 1st- August 31st. There will be no automatic renewals or preference for past LRAP recipients. In order to be considered for renewal benefits in a subsequent grant cycle, recipients must submit verification documents for employment, loan debt, and income each year. If renewed the applicant will be required to execute with Accounting Services Department a new promissory note for the awarded cycle.

Eligibility Changes

Recipients must keep South Texas College of Law, through the Financial Aid Office, apprised of changes in income, household composition, and employment that may affect LRAP program eligibility. Failure to report changes that would impact eligibility may result in a recipient being terminated from the LRAP program. Changes must be reported in writing within thirty (30) days of their initial occurrence.

Throughout the year, the South Texas College of Law Financial Aid Office will verify applicants' ongoing eligibility. LRAP loan recipients must provide appropriate signed releases to facilitate eligibility determinations to the LRAP program to maintain eligibility.

³Id.

If a current LRAP recipient changes employment to another qualifying agency, the recipient's continuing eligibility will be determined by the LRAP Administrator in the South Texas College of Law Financial Aid Office.

When an LRAP recipient has a salary or household income increase during an award cycle, the recipient's eligibility will be reviewed by the LRAP Administrator. If the increase renders the person ineligible (based upon actual income during the grant cycle), the grant will be terminated at the time the change goes into effect. If the person remains eligible, there will be no change in the LRAP loan amount during that award cycle. If found to be ineligible, the recipient may be required to repay unforgiven LRAP loan amounts received to that time.

LRAP recipients will be removed from the LRAP program if found to be delinquent or in default on any educational loans during any quarter in which they receive LRAP assistance.

Leave of Absence

In the case of parental or disability leave from a qualifying agency, an LRAP recipient may apply for a leave of absence loan equaling one quarter of their annual grant from LRAP. The duration of a leave of absence may be up to three months. At the end of the three months, if the LRAP loan recipient returns full-time to their employment, the loan maintains its forgivable status. If the recipient does not return to his/her prior employment, s/he will be terminated from the LRAP program and the money received during the leave of absence period must be repaid on a schedule to be worked out with the Accounting Services Department. Leaves for other than parental or disability needs will be decided on a case by case basis upon recommendation of the LRAP Administrator.

Additional Information

Recipients may be asked for additional information as needed.

Substantial Change or Appeal Review

Disputes concerning any decision made by the LRAP Administrator concerning a recipient's eligibility or required repayments may be reviewed by the Financial Aid and Scholarship Committee of South Texas College of Law upon submission of a written request for review.

Loan Cycle

The normal loan cycle for purposes of the LRAP program will run from September 1st to August 31st.

Application Procedures

Applicants must submit an STCL LRAP Application. A completed application, including current Employment Certification Form(s), Law School Certification Form, Resumé, a completed tax return, signed copy of these Guidelines, and other signed attachments which may be required by South Texas College of Law must be received by the Financial Aid Office by July 1 for the following LRAP cycle. South Texas College of Law may not consider incomplete or late applications. Mail applications to Financial Aid Office, South Texas College of Law, 1303 San Jacinto Street, Suite 246, Houston, Texas 77002. Questions about the Application or the Program should be directed to the Financial Aid office at the above address, by email to faid@stcl.edu or by phone at (713) 646-1820.

**SOUTH TEXAS COLLEGE OF LAW
STUDENT LOAN REPAYMENT ASSISTANCE PROGRAM**

I, _____, acknowledge that I have read the foregoing Program Guidelines and agree that any assistance that I receive from the South Texas College of Law LRAP is subject to, and governed by, these Guidelines. I understand that these Guidelines may be modified in the future, and that if they are, I will be asked to acknowledge the existence of such modified Program Guidelines and that my receipt of further assistance from the South Texas College of Law LRAP will be subject to, and governed by, such modified Program Guidelines to the extent they conflict with the foregoing Program Guidelines.

Signature

Date

ALL PAYMENTS PURSUANT TO THE SOUTH TEXAS COLLEGE OF LAW LRAP PROGRAM ARE CONTINGENT ON AVAILABILITY OF SUFFICIENT FUNDING.

STCL LOAN REPAYMENT ASSISTANCE PROGRAM
AGREEMENT

I, _____, agree to repay to South Texas College of Law any amount paid to me or on my behalf to lenders under the College's Loan Repayment Assistance Program found to be over awards or payments otherwise found ineligible pursuant to the program.

I further agree that my repayment, or repayments made on my behalf, will be due within thirty (30) days of notification by the College or pursuant to a schedule extending repayment beyond thirty (30) days as established by South Texas College of Law.

Signature

STCL Representative

Date

**SOUTH TEXAS COLLEGE OF LAW
STUDENT LOAN REPAYMENT ASSISTANCE PROGRAM
APPLICATION
2016-2017 Award Year**

Please Print.

A. Applicant Data

Applicant Name: _____

Texas State Bar #: _____

Applicant Email: _____

Social Security #: _____

Dependents' Names, Ages: _____

Home Address: _____

City/Zip code: _____

Home Phone: () _____

Work Phone: () _____

South Texas College of Law Graduation Date: _____

Texas License Date: () _____

Other State License Dates: () _____

B. Applicant Employment Data

Name of Employer: _____

Address: _____

City/Zip code: _____

Telephone: () _____

Do you work at this location? ___ yes ___ no

If not, address of your office: _____

City/ Zip code: _____

Telephone: () _____

Position/Job Title: _____

Starting Date of Employment: _____

Current Annual Gross Income: _____

Does your job require a Juris Doctorate (J.D.) degree?: _____

Names of Previous Qualifying Employers and Years of Employment:

Applicant's Name _____

Please attach your current résumé.

C. Certification of Income

2015 Yearly Income

Applicant Information:

Total wages, salary, commissions, child support received, alimony, rental income, capital gains, etc. Please itemize.

\$ _____

Spouse/Domestic Partner Information:

Total wages, salary, commissions, child support received, alimony, rental income, capital gains, etc. Please itemize.

\$ _____

Total Annual Household Income:

\$ _____

Employment Date for Spouse of Domestic Partner (DP)

NOTE: It is anticipated that the spouse or DP of an applicant may also be employed full-time. If your spouse or DP is not employed or employed on a part-time, please indicate. A DP is defined as a significant other with whom the Applicant shares a long-term, committed relationship including a shared residence and shared household expenses.

If you or your spouse/DP have more than one employer, please attach a separate sheet with information regarding the second employer.

Name of Spouse or DP: _____

Name of Employer: _____

Address: _____

City/ZipCode: _____

Applicant's Name _____

Telephone: _____

Position/Job Title: _____

Starting Date of Employment: _____

Please attach a copy of your completed 2015 tax return, including all schedules and attachments.

Please provide the names, home addresses, email addresses and relationships of two persons, one a parent or other relative, who would always know your address (neither address should duplicate your permanent address):

Name: _____

Relationship: _____

Telephone:() _____

Home Address: _____

City, State, Zip Code _____

Email: _____

Name: _____

Relationship: _____

Telephone:() _____

Home Address: _____

City, State, Zip code _____

Email: _____

EMPLOYER CERTIFICATION FORM

Part A: to be completed by the applicant

Name: _____ Social Security #: _____

I authorize my employer at _____ to provide the information requested in Part B as requested.

Applicant's Signature

Date



Part B: to be completed by the employer

Dear Sir or Madam:

_____ has applied for the South Texas College of Law Student Loan Repayment Assistance Program. Part of the application process requires certification from the employer of the applicant's employment status. Please complete the following information and return it to our office as soon as possible. If you have any questions, please do not hesitate to contact our office at the address and phone number below.

Annual gross salary: _____

Number of working hours per week: _____

Date of employment: _____

Applicant's title or job description: _____

Authorized Signature

Name (printed) and Title

Date

Name of Employer Address City/Zip Code Telephone

Email

PLEASE NOTE: THIS FORM SHOULD BE COMPLETED AND RETURNED TO:
Financial Aid Office
South Texas College of Law
1303 San Jacinto Street - Suite 246
Houston, TX 77002, (713) 646-1820, Fax (713) 659-3807

Applicant's Name _____

LAW SCHOOL CERTIFICATION FORM

Part A: to be completed by the applicant

Name: _____

Email address: _____

Social Security #: _____

Date of graduation: _____

I authorize personnel at _____ (name of law school) to provide the information in Part B as requested.

Applicant's signature

Date



Part B: to be completed by law school Registrar

Dear Registrar:

_____ has applied for the South Texas College of Law Student Loan Repayment Assistance Program. Part of the application process requires information concerning the applicant's law school graduation date. Please complete the following information and return it to our office as soon as possible. If you have any questions, please do not hesitate to contact our office.

Graduation Date: _____

Authorized Signature

Name (printed) and Title

Date

Telephone#

Email

**PLEASE NOTE: THIS FORM SHOULD BE COMPLETED AND RETURNED TO:
Financial Aid Office
South Texas College of Law
1303 San Jacinto Street - Suite Suite 246
Houston, TX 77002, (713) 646-1820, Fax (713) 659-3807**

Applicant's Name _____

CERTIFICATION

All information I have submitted in connection with my application for the South Texas College of Law LRAP Program has been completed accurately to the best of my knowledge. By signing this form, I agree to promptly report any changes in my employment status or salary, or my spouse or domestic partner's salary, as well as the receipt of any income not anticipated on my application. I further agree that any funds I may receive from this program will be used solely for the purpose of repaying my student loans and if requested, I agree to furnish proof that the payment was applied to my student loans. I understand that failure to provide requested documentation may result in termination from this program. I agree to assist with LRAP program fundraising as needed, including testimonials.

Applicant Signature

Printed Name

Date

Applications and supporting documents must be received by the South Texas College of Law Financial Aid Office. Incomplete applications may not be considered.