

University of Denver Sturm College of Law

Loan Repayment Assistance Program

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A. Mission

The Loan Repayment Assistance Program (LRAP) Committee at the University of Denver Sturm College of Law (Denver Law) is committed to fulfilling the greater legal community's ethical obligation to provide legal assistance to those with limited access to the legal system by encouraging recent Denver Law alumni to seek and maintain public interest employment. Towards that end, LRAP at Denver Law promotes and encourages committed students to accept lower paying public interest jobs by providing forgivable loans to repay those students' law school related debt. The LRAP Committee admits members to the Committee and selects LRAP Recipients in compliance with the University of Denver's Policy of Non-Discrimination.¹

B. Overview

Denver Law's LRAP provides financial support to alumni pursuing public interest careers. For many graduates, debt loads constrain public interest career choices. The LRAP program was created to provide graduates with the financial support necessary to accept lower-paying public interest employment.

The program, which was started in 2004 with a grant from Chancellor Dan Ritchie, is administered through the Office of Student Financial Management, via an LRAP Administrator. The LRAP Committee reviews applications from eligible graduates and selects recipients. LRAP Committee members include Denver Law alumni, administrators/staff, and faculty.

C. Eligibility

I. Graduation Requirement

To be eligible to apply for an LRAP award, an Applicant must have graduated from the Juris Doctorate program at Denver Law after May 2003.

¹ It is the policy of the University not to discriminate in the admission of students, in the provision of services, or in employment on the basis of race, ethnicity, color, religion, sex, national origin, age, marital status, veteran status, sexual orientation, gender identity, gender expression, genetic information, or disability. The University prohibits all discrimination, harassment and retaliation, and complies with all applicable federal, state and local laws, regulations, and Executive Orders.

II. Qualifying Employment

To be eligible to apply for an LRAP award, an Applicant must work in *Qualifying Public Interest Employment*.

Qualifying employment means a *law-related public interest job*.

- *Law-related* means that the position (1) substantially utilizes the legal training and skills of the graduate; or (2) is deemed a JD Advantage job (as defined below). Denver Law alums employed in jobs that fall outside of traditional practice models, such as legislative or policy-based work, can qualify for LRAP funding so long as the candidate demonstrates in their application that the position meets one of these two definitions.
 - o The National Association for Law Placement (NALP) defines a JD Advantage job as one in which the employer sought an individual with a JD, and perhaps even required a JD, or for which the JD provided a demonstrable advantage in obtaining or performing the job, but are jobs that do not require bar passage, an active law license or involve practicing law.
- *Public interest* means employment in which the Applicant's law-related work is primarily on behalf of economically disadvantaged or under-represented clients, groups, or organizations.
- Public interest includes the following *placement settings*: (1) nonprofit organizations that are designated as 501 (c) (3) and (2) governmental agencies.

Please note:

- If your job qualifies as a JD Advantage job, please be sure to explain how you utilize your law degree in the requisite question on the application. In addition, we recommend that your employer discuss how your JD provides a demonstrable advantage in performing the job in the employer letter.
- Qualifying Employment does not include judicial clerkships.
- Priority is given to Applicants working in full-time positions.

III. Income Eligibility

Participation in the LRAP program is limited to Applicants with incomes of \$75,000 or less at the time of application to the program, as indicated on the Applicant's federal income tax return. If an LRAP Recipient's income exceeds \$100,000 during the five years of the program, the Recipient will no longer qualify for an LRAP award.

IV. Loan Repayment Status

In order to be eligible for LRAP assistance, Applicants must submit documentation demonstrating that they are either (a) currently in repayment on their law school student loans, or (b) will be in repayment on these loans as of April 1 of the year in which an application to the LRAP program is submitted. The payment on the Applicant's loans must be greater than zero.

D. Selection of Applicants

If an Applicant satisfies the criteria outlined above, the Applicant is eligible to apply to the LRAP program. However, because of limited funds, the application process is competitive. Therefore, satisfying these criteria does not guarantee that an Applicant will receive an LRAP award. The selection of LRAP recipients is at the discretion of the LRAP Committee.

In selecting among competing applications, the Committee (1) gives preference to Applicants working for 501(c)(3) organizations, (2) considers the amount of scholarships received by the Applicant during law school, (3) considers the amount of the Applicant's law school debt, and, to a lesser extent, any prior educational debt, and (4) considers the Applicant's demonstrated commitment to public interest law.

E. Determination of LRAP Awards

The Denver Law LRAP is designed to go hand-in-hand with the Income Driven Repayment options offered by the Department of Education, as well as with the Public Service Loan Forgiveness Program (PSLF)² which provides federal student loan forgiveness for borrowers who make 10 years' worth of payments while working full-time in the public service sector. Currently, two main Income Driven Repayment plans exist: the Income Based Repayment Plan (IBR)³ and the Pay As You Earn Repayment Plan (PAYE)⁴. Both of these plans provide reduced loan payments based on a borrower's income and family size.

In determining the amount of a Recipient's LRAP award, the Committee will consider the Recipient's annual loan payment under PAYE or IBR. The Committee strives to provide LRAP funding to cover as much of the Recipient's monthly loan payment as possible, while taking into consideration total funding available, the number of qualified applicants, and other factors. While Recipients are not required to be enrolled in the IBR or PAYE repayment plans, if a Recipient is eligible for enrollment in PAYE, LRAP awards will not exceed the annual loan payment that the Recipient would be making under PAYE, even if the Recipient is enrolled in a payment plan with a higher required payment. If, however, a Recipient is not eligible for enrollment in PAYE, LRAP awards will not exceed the annual loan payment that the Recipient would be making under IBR, even if the Recipient is enrolled in a plan with a higher required payment.

More information about IBR, PAYE, and PSLF is available through the links provided below. Borrowers can calculate their monthly payments under different repayment plans online at www.StudentLoans.gov. Those interested in these programs can also contact the Office of Student Financial Management at Denver Law at LRAP@law.du.edu.

F. LRAP Procedures

I. LRAP Forgiveness Terms for LRAP Recipients

LRAP awards are forgivable loans with a zero percent interest rate. Loan payments are made twice per year. At the end of each six-month period, the most recent loan will be cancelled for the preceding time period if the Recipient continues to meet the LRAP employment and income requirements and remains current on all student loan payments.

² More information about Public Service Loan Forgiveness can be found at www.studentaid.ed.gov/PublicService

³ More information about IBR is available at www.studentaid.ed.gov/IBR

⁴ More information about PAYE is available at www.studentaid.ed.gov/PayAsYouEarn

Loans will not be forgiven until required documents, as indicated by the LRAP Administrator, have been received and approved. (For more information about what documents are required, please see the Section C, Application and LRAP Loan Payment Procedures, below.) Once forgiveness for the loan is approved, the LRAP Administrator will notify the Recipient.

The amount of loan forgiven can be reduced at any time due to financial or employment changes. If, during the six-month period for which a Recipient has received an LRAP payment, the Recipient either leaves qualifying employment or receives a salary increase that impacts LRAP eligibility, the Recipient may be required to repay some portion of the loan received. The LRAP Committee will determine the amount, if any, that a Recipient in this situation must repay. Such repayment will be made under the terms of the LRAP Promissory Note.

II. LRAP Participation Terms

a. *Duration*

LRAP Recipients may participate in LRAP for up to five years.

b. *Request for Leave of Absence*

A Recipient may be eligible to take up to one year of absence from the program for family care, relocation, debilitating injury or illness, military deployment, or other events of similarly significant nature. This leave of absence requires approval from the LRAP Committee and may be renewed for one additional year upon request and with Committee approval. During the period of approved leave, the Recipient is not eligible for repayment assistance; however, upon resuming qualifying employment, the Recipient will once again be considered eligible for Program assistance.

The one-year deferment period does not count against the five-year period for which Recipients are eligible to participate in the program. For example, if a Recipient is granted a one-year leave of absence after completing their third year in the Program, the Recipient is eligible for two more years of payment following the end of the deferment period. Continued eligibility remains contingent on the Recipient satisfying the income and employment requirements of the LRAP program, and re-applying for LRAP assistance by the deadlines specified.

Requests for leave of absence must be sent via email to the LRAP Administrator within the Office of Student Financial Management at Denver Law.

c. *Application and LRAP Loan Payment Procedures*

i. Application

The LRAP Application is available online once a year at Denver Law's [website](#) and is due the fourth Friday of January. The LRAP Committee will notify Applicants of its award determinations no later than the end of March.

ii. LRAP Loan Payments

LRAP loan payments to selected Recipients are distributed twice each year: February and August. (The only exception to this payment schedule is the Recipient's first award, which will take place after award determinations are completed and Recipients have submitted documentation verifying that they are in repayment.) Award Recipients are encouraged to enroll in direct deposit for all LRAP payments.

Recipients of LRAP funding are required to submit renewal documents twice a year. Recipients will receive an email from the LRAP Administrator in January and July of each year detailing renewal requirements and providing deadlines for the submission of renewal documentation.

During each renewal period, the LRAP Administrator requires documentation that the Recipient is still in compliance with all LRAP eligibility requirements (see Section C, Eligibility, above for a list of those requirements). Documentation that indicates the Recipient is current on their law school student loans, i.e. does not currently have any past due payments, is also required. This documentation consists of (1) a letter from the Recipient's employer verifying the Recipient's current position, salary, and employment dates, and (2) the Recipient's most recent statements from their loan servicer indicating the current monthly payment and verifying that loans are not past due. Receipt of these documents by the LRAP Administrator will serve both to request forgiveness of the most recent loan and disbursement of the next loan.

Recipients must verify that student loan payments are up to date in order to be eligible for continued LRAP funding. If, at the time of submission of their renewal documentation, the Recipient is not current on their loan payments, or is in deferment or forbearance, the Recipient may not be eligible to receive a LRAP payment for that six-month period. If, at the time of the next application deadline, the Recipient has rectified the situation and is current on their loan payments, the Recipient may again request LRAP funding. The six-month absence from the program will not count against the five-year period for which Recipients are eligible to participate in the program. If, however, at the time of the next application, the Recipient is still not current in their loan payments, or remains in deference or forbearance, the Recipient may no longer be eligible for LRAP participation and may be terminated from the program.

Failure to submit renewal documentation to the LRAP Administrator with the Office of Student Financial Management by the applicable deadlines may result in loss of eligibility for future LRAP payments.

d. *Recipient Contact Information*

Recipients are required to provide the LRAP Administrator with a current email address (one that the Recipient checks regularly), and a current mailing address, in addition to the application and renewal documentation described above. Recipients must notify the LRAP Administrator if/when a mailing address or email address changes.

G. LRAP Frequently Asked Questions

Are LRAP loans taxable?

Denver Law does not take a position on whether or not LRAP forgivable loans are taxable. You should consult your tax advisor to determine LRAP forgivable loan taxability in your particular case.

Am I eligible to apply for a LRAP loan if I am not in repayment on my law school student loans?

No. In order to be eligible for LRAP assistance, you must submit documentation demonstrating that you are either (a) currently in repayment on your law school student loans, or (b) will be in repayment on your law school student loans as of April 1 of the year in which you apply for LRAP assistance. The payment on the Applicant's loans must be greater than zero.

What happens if I switch jobs while I am receiving an LRAP award?

If you switch jobs while receiving LRAP payments, you are required to inform the LRAP Administrator within two weeks of starting your new position. So long as your new position constitutes qualifying legal employment (see Section C, Eligibility, above for the definition of qualifying legal employment) and you continue to meet all other LRAP eligibility requirements, your LRAP awards should continue. If, in your new position, you no longer meet one or more the LRAP eligibility requirements, you will no longer be eligible to receive LRAP payments.

If, during the six-month period for which a Recipient has received an LRAP payment, the Recipient either leaves qualifying employment or receives a salary increase that impacts LRAP eligibility, the Recipient may be required to repay some portion of the loan received. The LRAP Committee will determine the amount, if any, that a Recipient in this situation must repay. Such repayment will be made under the terms of the LRAP Promissory Note. (See section F (I), LRAP Forgiveness Terms for LRAP Recipients, above.)

Are judicial clerkships eligible for LRAP?

No.

Where can I find out more information about Income-Driven Repayment Plans and Public Service Loan Forgiveness?

More information about those programs can be found at www.studentaid.ed.gov/publicservice.

How do I contact the LRAP Administrator with any questions about the program?

You can contact the LRAP Administrator at LRAP@law.du.edu.