

Loan Repayment Assistance Program Guidelines

I. LRAP Overview

The District of Columbia Bar Foundation is a non-profit, tax-exempt charitable organization that supports legal aid providers in the District of Columbia. The Foundation's mission is to fund, support, and improve DC's civil legal aid network. One way that the Foundation improves DC's civil legal aid network is by providing loan repayment assistance to qualified attorneys working for an eligible employer in DC. This program, called the loan repayment assistance program (LRAP), has two main goals: (1) increase the number of experienced, skilled lawyers working on behalf of DC residents experiencing low income; and (2) assist DC public interest lawyers who have incurred significant educational debt.

A. Program Descriptions

The Foundation runs two LRAPs: (1) the publicly funded LRAP, referred to as "Public LRAP;" and (2) the privately funded LRAP, referred to as "Private LRAP." The Foundation decides in which program to place each applicant.

Although the programs share basic eligibility requirements, terms of assistance, and certification and disbursement schedules, there are two main differences between the two programs: the source of funding and residency of eligible participants. Public LRAP, officially called the DC Poverty Lawyer Loan Repayment Assistance Program, funds are made available to the Foundation through a public grant from DC's Office of Victim Services and Justice Grants. In comparison, private contributions made directly to the Foundation fund Private LRAP. Public LRAP is only available to DC residents, whereas there is no residency requirement for Private LRAP.

B. Terms of Assistance

LRAP provides one-year, interest-free, forgivable loans, payable quarterly, with a 12-month service requirement. Participants' initial applications are for one year of assistance. The participant shall execute a promissory note provided by the Foundation through its program administrator, Fosterus. If the recipient maintains eligibility (see Section III) throughout the 12-month service requirement, the recipient's loan will be forgiven. Participants may be eligible for subsequent loans thereafter, each subject to a 12-month service obligation. However, continued assistance is subject to the availability of funding, and the level of assistance depends in part on the number of qualified applicants.

C. Contingent on Continued Funding

The continued operation of the program will depend on the continuing availability of funding in succeeding years. Assistance will be provided only to the extent that funds are available.

D. Extent of Assistance

A statutory maximum of \$12,000 per year, to be distributed monthly, may be awarded to each approved applicant. If the number of qualified applicants exceeds the pool of resources available for loan forgiveness, the Foundation maintains ultimate discretion in determining the level of assistance and the allocation of funds. Priority may be given to certain categories of applicants, as described in the “Determining Your LRAP Award” if eligible requests for assistance exceed the amount of available resources.

II. Applicant Guidelines

A. Eligibility

To be eligible for LRAP, you must answer “yes” to all of the following questions:

1. Are you a permanent employee at a DC legal aid provider or currently seeking employment with an eligible employer? Go to <https://dcbarfoundation.org/lrap/eligible-employers/> for the current list of eligible employers. See below on applying for eligible employer status.
2. Do you work at least 17 hours a week in a position that requires a law degree?
3. Do you provide direct civil legal services to DC residents experiencing low-income?
4. Are you a graduate of an accredited law school?
5. Are you in good standing with the DC Bar; do you have a pending application for admission to practice law in DC; or are you authorized to practice law in DC under the provisions of Rule 49(c)(9) of the District of Columbia Court of Appeals?
6. If you are licensed to practice law in another state, are you in good standing?
7. Are all of your loans currently in satisfactory repayment status?
8. Do you expect your annual salary to remain less than \$100,000 in 2024?
9. If applicable, do you expect your joint annual salary to remain less than \$200,000 in 2024?

Further details regarding eligibility are given below.

1. Eligible Employment

- a. Qualifying Employer: Applicants must be employed with a DC-based, non-profit, tax-exempt charitable organization that provides free civil legal assistance to the District’s low-income or underserved residents and that is eligible for funding from the Foundation. Government employment does

not qualify. Please go to <https://dcbarfoundation.org/lrap/eligible-employers/>.

- i. Become an Eligible Employer: Organizations seeking to be added to the list of eligible employers should submit an application to the DCBF. To request the application, please email lrap@dcbarfoundation.org. Organizations may be approved at the Foundation's sole discretion.
- b. Qualifying Employment: Applicants may be employed full-time (at least 35 hours/week) or part-time (at least 17 hours/week) in a position that requires a law degree. Assistance paid to applicants working part-time will be pro-rated.
- c. Qualifying Leave: Leave, such as family, medical, parental, and armed services leave, will be credited as qualifying employment for up to six months. This six-month limit is waivable at the discretion of the Foundation.

2. Income

- a. Annual Salary Cap: Applicants' individual annual salary must be less than \$100,000.00. The applicant's employer must verify his or her annual salary.
- b. Joint Salary Cap: Applicants must report their partner's current salary. The applicant's joint annual salary must not exceed \$200,00.00.

3. Qualifications

- a. Education: Applicants must be graduates of an accredited law school.
- b. Bar Admission: Applicants must be: (1) licensed to practice law, and in good standing, in the District of Columbia; (2) licensed to practice law, and in good standing, with the bar of any state, with a pending application for admission to practice law in the District of Columbia; or (3) authorized under the provisions of Rule 49(c)(9) of the District of Columbia Court of Appeals to practice law in the District of Columbia.

4. Residency

- a. Public LRAP: LRAP funds appropriated under Public LRAP are available for District of Columbia residents only. Applicants must also work in the District of Columbia.
- b. Private LRAP: There is no residency requirement for Private LRAP, but all applicants must work in the District of Columbia.

5. Qualifying Loans

- a. Loan Repayment Status: Applicants' educational loans must be in satisfactory repayment status. Applicants must be making regular payments on each loan submitted for LRAP funding. If any loan or all

loans are in deferment or forbearance at the time of application, they must come into repayment status.

- b. Minimum Loan Payment: There is no minimum loan payment required for eligibility, although the Foundation will take the relative debt load of applicants into consideration when allocating benefits when funding is limited.
- c. Other Loan Repayment Assistance Programs: The Foundation's LRAP is an LRAP "of last resort," meaning all applicants must "exhaust all other available avenues for loan repayment assistance, including through participation in any available undergraduate or law school debt-forgiveness programs," as regulated by D.C. Code § 4-1704.03(5). This also includes loan repayment assistance programs provided by an applicant's employer, fellowship, or other organizations (i.e. AmeriCorps). In addition, applicants should seek to determine their eligibility for federal loan repayment programs, including the College Cost Reduction Act and income-driven repayment plans.

General loan repayment program information is available at the Equal Justice Works [website](#). The Foundation maintains the discretion to adjust any assistance awarded based on an applicant's apparent eligibility for another loan repayment program.

- d. Eligible Debt: Eligible debt under both programs includes *all educational debt* based on loans from commercial and federal lending institutions, as well as university or other private institutional loans associated with educational debt. This includes undergraduate and graduate school loans, in addition to law school and bar study loans. Family and personal loans are not eligible for coverage.

C. Determining Your LRAP Award

For both programs, the Foundation follows selection guidelines and examines each eligible applicant's loan information to determine each LRAP award.

1. Selection Guidelines

The Foundation maintains the right to consider any relevant information in awarding loans and in setting the level of benefits for applicants.

If the need exceeds the funding amounts, the Foundation may assign priority factors to determine awards until additional funding is received. Those priority factors are as follows:

- (1) Are graduates of accredited public schools of law in the District of Columbia;
- (2) Have completed no less than 2 prior service obligations in the LRAP;
- (3) Have graduated from an accredited school of law within the last 3 years or
- (4) Have a high debt to adjusted gross income ratio as compared to other participants.

III. Participant Guidelines

Once you enroll in the program, you are considered an “LRAP participant.” There are very strict requirements—such as eligibility and service obligations—that you must follow once enrolled in the program. Failure to meet all requirements may result in repayment of all money you have received in LRAP for the year.

A. Change in Status

Participants are required to inform the Foundation immediately, in writing or via email (lraps@dcbarfoundation.org), within 30 days of any change in status that would affect eligibility. This includes changes in:

1. Residency;
2. Employment (i.e. employer, title, hours worked per week, etc.);
3. Income;
4. Loan repayment status; and,
5. If applicable, changes in your partner’s income.

A change in any of these eligibility factors may affect continued assistance and ultimate forgiveness of the loan. Participants who leave eligible employment before completion of the applicable service obligation will be required to repay the loan under the terms of the promissory note (see Section III.C for exceptions).

C. Forgiveness and Service Obligation Schedule

The Foundation’s LRAPs require 12 months of qualifying service for each one-year loan. Participants may apply for and receive loans each year, and each new loan will require an additional 12 months of qualifying service in order to be forgiven in full.

If a participant becomes ineligible at any point during the 12-month service obligation, the participant must repay all funds that have been received since the beginning of the LRAP year. Ineligibility includes leaving eligible employment, receiving a salary that exceeds the individual or joint income cap, being disbarred, and failing to perform any other obligation required under the Promissory Note (executed at the time of award). Participants must repay all funds received from the Foundation within 12 months of their final date of eligibility.

There are two exceptions to this 12-month service obligation:

- (1) A participant who is involuntarily terminated from eligible employment, is in good standing with LRAP otherwise, and provides the Foundation with adequate notice will not need to repay. Involuntary termination covers loss of employment

due to financial issues at the place of eligible employment; it does not cover loss of employment due to the participant's job performance. He or she will only need to return any funds received for the period between the date of involuntary termination and the end of the calendar year.

(2) Those who have participated in LRAP for three or more years and have been in satisfactory status the entire time (i.e. received forgiveness for each of those years) may be eligible for forgiveness at any time during the LRAP year if they withdraw voluntarily from eligible employment. The participant shall be required to return any funds received for the period between the date of voluntary withdrawal from eligible employment and the end of the calendar year. Please refer to D.C. Code § 4-1704.05(d) for more information.

D. Income Tax Liability

The Foundation intends and believes in good faith that the discharge of loans issued by the Foundation under this program would not create taxable income for loan recipients under the Internal Revenue Code, based on the exemption provided by 26 U.S.C. Section 108(f), as amended. Nevertheless, each recipient is responsible for determining his or her income tax liability and making all required disclosures to the Internal Revenue Services and any other taxing entity.

IV. Resources and More Information

If you have any questions regarding the Foundation's LRAP, please see <https://dcbarfoundation.org/lrap/>.

Another great resource for other loan repayment assistance programs throughout the country is Equal Justice Works' website at www.equaljusticeworks.org.

If you have specific questions regarding eligibility or the application, please email the Foundation directly at lrp@dcbarfoundation.org.