

# Barrack Public Interest Fellowship Program Guidelines & Application Procedures

The Barrack Public Interest Fellowship Program is a loan repayment assistance program which has been providing financial assistance to graduates from Temple University Beasley School of Law who are working in eligible public interest positions since 1990. In keeping with Temple Law School's longstanding commitment to public interest, the program was created out of a concern that the large educational debt burden of many graduating law students was effecting individual career choices and keeping some graduates from pursuing a career in public interest law.

Through the program, financial awards are made to eligible graduates in the form of loans which are forgiven at the end of one year of the graduate working in qualifying employment. The program works in conjunction with the federal income-driven loan repayment option, Income Based Repayment (IBR). Award amounts are determined using a sliding scale which results in graduates with the lowest salaries receiving LRAP loans for the largest percentage of their annual debt repayment.

Graduates are eligible to enter the program for the first time within three years after the January following their graduation, provided they meet the income and employment eligibility requirements. Eligible graduates may participate in the program for up to ten years.

## **I. ELIGIBILITY REQUIREMENTS**

### **A. Eligible Employment**

To be eligible for funding through the LRAP program a graduate must be employed full-time in a law-related, public interest position.

Law-related employment includes a wide variety of legal work, and is not limited to the practice of law in its strictest sense. The employment must substantially utilize the legal training and skills of the graduate.

The work must satisfy one of the following criteria to be considered "public interest" :

- a. Non-profit - work for an organization qualifying for tax exemption under IRS Code Sections 501(c)(3), 501(c)(4) or 501(c)(5); or
- b. Government - work for a local, state or federal government; or
- c. Other - the Program Administrator will review the application of any graduate working in employment that he or she felt satisfied the purposes of LRAP but did not fall into one of the two criteria listed above.

The program does not provide funding for graduates working in judicial clerkships. For many graduates, the clerkship period is a short-term (one or two year) commitment which leads immediately afterwards to a higher-paying position which would not qualify under LRAP. Graduates who take a qualifying position after completing a clerkship may apply for funding through the program.

### **B. Maximum Income**

Only graduates whose salary is \$65,000 or less are eligible to receive funding through the program.

### C. Spouse's Income and Dependent Allowance

In determining salary for purposes of a graduate's participation in the program, neither spouse's income nor an allowance for dependents will be considered, since these factors are already taken into consideration when a graduate's annual loan repayment is calculated through IBR.

### D. Calculation of LRAP Loan Award Amount

Qualifying graduates are eligible to receive loans according to the following schedule:

Salary	% of annual loan repayment under IBR*	Minimum/Maximum loan amounts through LRAP
Under \$45,000	100%	\$0 to \$4,125
\$45,000 - \$47,499	50%	\$2,062 - \$2,250
\$47,500 - \$49,999	40%	\$1,800 - \$1,950
\$50,000 - \$52,499	30%	\$1,460 - \$1,575
\$52,500 - \$54,999	20%	\$1,050 - \$1,125
\$55,000 - \$65,000	10%	\$562 - \$638

Graduates who are currently not making any payments on their loans because they qualify for a zero payment amount are not eligible to receive funding through the Barrack Public Interest Fellowship program, but may qualify in a successive year if their payments increase.

The salary limit and categories will be reviewed yearly and adjusted according to salary survey data.

\* Award amounts for graduates who are repaying their loans through a different income-driven repayment option, such as Pay As You Earn (PAYE), will be based on their annual loan repayment obligation. If a graduate is not repaying his loans through an income-driven repayment plan, his eligibility will be calculated based on his expected annual loan repayment under IBR.

## II. APPLICATION AND LOAN DISBURSEMENT PROCEDURES

### A. Program Application Procedures

Graduates applying for their first year in the program must submit the following:

1. A completed application form including the following:

\* Income information for the applicant and any additional anticipated sources of income from January 1 through December 31 for the year in which assistance was sought. The sum total cannot exceed the income eligibility ceiling (currently \$65,000).

\* A list of educational debts including the name of each lender for each type of loan, the month and year each loan went into repayment, the total amount borrowed under each loan type

\* The monthly repayment obligations as well as specific information on the type of repayment plan.

\* A signed statement that the graduate will report any increase in income.

2. A completed Employment Verification Form showing the graduate's annual salary and proof of employment with either (a) a nonprofit organization with tax exemption status under IRS Code Section 501(c)(3), 501(c)(4) or 501(c)(5); or (b) a local, state or federal government; or (c) an employer approved by the Program Administrator. This proof must include a descriptive statement of the position held by the graduate, the office's address, and the name of its director or other contact persons.
3. A statement from the holder of each of the applicant's outstanding loans verifying the repayment option and current monthly payment, and the status of the loan (i.e., in repayment, deferred, overdue, etc.)
4. A personal statement describing the applicant's current position and commitment to a career in public interest work.
5. A signed copy of the applicant's federal income tax return, with all schedules, for the most recent calendar year.
6. Follow-up documents as requested by the Program Administrator.

#### **B. Re-applicants**

Participation in the program is on a year-to-year basis only; once a graduate has been admitted to the program, it is his or her responsibility to reapply each year for continued assistance. Eligible graduates may participate in the program for up to ten years. Each year the participant will have to resubmit the required application materials including the application form, employment verification form, statement of loans, federal tax return and a personal statement. In addition to determining current eligibility for the program, this information will be used to verify the information reported for participation during the previous year and to determine eligibility for forgiveness of loans received in the previous year.

#### **C. Loan Disbursement Procedures**

Applicants who have been awarded funds will receive notification of the award along with a promissory note which must be signed and returned before any funds will be released to them. The Law School Financial Aid Office distributes the program funds. The program operates on a calendar year basis and loans are made prospectively. The entire award is made in one disbursement for each year the applicant is eligible to receive funds.

### **III. LOAN FORGIVENESS AND LOAN REPAYMENT**

#### **A. Loan Forgiveness**

Loans awarded under the program will be forgiven at the end of the calendar year in which the loan was received provided the recipient continues to meet the eligibility requirements at the end of that year. Award recipients who apply for and are awarded funding in the year following receipt of the loan will automatically have their loans forgiven for the previous year. Award recipients who do not apply for funding in a subsequent year must complete an employment verification form in order to have their loan from the previous year forgiven or they will be required to repay the loan.

#### **B. Repayment of loans which have not been forgiven**

For loans which have not yet been forgiven due to the graduate leaving qualifying employment or otherwise losing eligibility, the graduate must contact the Program Administrator to determine the graduate's repayment schedule. This schedule (amount of each monthly payment and length of time to repay) will be determined based on the amount of money to be repaid and the graduate's current salary.

1. When Loan Repayment Begins. The repayment period for balances owed on LRAP loans, including any accrued interest, will begin on the first of January following:

- the date the graduate ceased to be employed in qualifying public interest work; or
- the date the graduate, while continuing to be employed in qualifying public interest work, has an annual AGI in excess of \$65,000; or
- the date the graduate failed to provide confirmation and verification information for the prior year's program participation; or
- ten years after graduation from the law school; whichever is earlier.

2. Interest. The interest charged on LRAP loans in repayment status will be 5%. Interest will not be charged when the program participant was on an approved leave from the program.

#### **IV. PROGRAM ADMINISTRATION**

The Program will be administered by the Assistant Dean for Admissions and Financial Aid for the Law School. An LRAP Selection Committee will be appointed by the Dean of the Law School.

The annual distribution of loans will be based on the funds available in the current year. In the event that the total amount of requested loans exceeds the amount available, the LRAP Selection Committee will exercise its discretion in determining the recipients and individual loan amounts.

revised October 2022