



## THE UNIVERSITY OF BALTIMORE SCHOOL OF LAW LOAN REPAYMENT ASSISTANCE PROGRAM (LRAP)

*Furthering and Supporting Commitment to Public Interest Law in the Twenty-First Century*

### **A. LRAP Overview**

Under the LRAP program, a graduate of the J.D. program meeting certain requirements relating to public service work and income may receive a loan from the University of Baltimore School of Law (School), which can be used to repay borrowings incurred to fund study at the School. If, after one year, the graduate satisfies program requirements, the University of Baltimore will forgive the loan; otherwise the loan must be repaid.

### **B. Receiving an LRAP Loan**

An **Eligible Individual** may be entitled to receive an LRAP loan if the individual satisfies the following requirements: (i) the individual holds, has accepted, or has an unconditional offer for **Qualifying Employment** at the time that he or she files the LRAP loan application, (ii) the individual has an **Eligible Loan** that is outstanding at the time that he or she files the LRAP loan application, and (iii) the individual demonstrates to the satisfaction of the School that he or she will likely be within the **Annual Salary Limit** for the calendar year in which the LRAP loan is to be made.

In addition, the individual is required to submit an estimate of his or her (and spouse's, if married) **Annual Income** for the calendar year in which the LRAP loan is to be made. The individual also is required to submit information on his or her (and spouse's, if married) assets and certain liabilities, as well as the amount of any loan repayment assistance that the individual receives from other sources. The individual also shall indicate the number of dependents that the individual (and spouse, if married) expects to claim on the federal income tax return for the calendar year in which the LRAP loan is made.

In deciding whether to make an LRAP loan to an eligible individual, the School will determine whether the above requirements are satisfied, as well as consider the individual's (and spouse's, if married) estimated Annual Income, expected number of dependents, assets and certain liabilities, and other loan repayment assistance. An individual does not have a contractual right to receive an LRAP loan. The School has discretion to make loans to individuals meeting the above-mentioned requirements, and need not disburse all available funds in any given year.

1. Eligible Individual

An eligible individual is defined an individual who receives a J.D. from the School prior to April 1<sup>st</sup> of the calendar year in which the LRAP loan is to be made.

2. Qualifying Employment

Qualifying Employment is defined as full-time work that makes direct use of a individual's legal education in a nonprofit public interest organization that is described in section 501(c)(3) of the Internal Revenue Code and exempt from federal income taxation under section 501(a) of the Internal Revenue Code. An employing nonprofit public interest organization must provide legal services to a low-income population or serve the public good. The School will determine whether or not a particular job meets these qualifications. Priority will be given to applicants who are working in Qualified Employment in Maryland.

3. Eligible Loans

An Eligible Loan is a needs-based loan borrowed during the course of, and in order to fund, law school study at the School. The loan must have been made by the following lenders: a college or university, a branch of the state or federal government, or a commercial lender that regularly lends money as part of its business. Personal loans from family members, and credit card and consumer debt are not covered under the LRAP program.

4. Annual Salary Limit

To be within the Annual Salary Limit, the individual's annual salary must be less than \$60,000. For this purpose, "annual salary" is defined as (i) the individual's gross income from salary (as reported on the federal income tax return) plus (ii) any voluntary retirement contributions (as reported in box 12 of the individual's Form W-2).

5. Annual Income

Except for a married individual filing a separate federal income tax return, annual income is defined as (i) adjusted gross income (as reported on the federal income tax return), plus (ii) any deductible IRA contributions (as reported on the federal income tax return), plus (iii) any voluntary retirement contributions (as reported in box 12 of the individual's (and individual's spouse, if married) Form W-2). For a married individual filing a separate federal income tax return, annual income is defined as sum of items (i), (ii), and (iii) for the individual and for his or her spouse.

### **C. Obtaining Forgiveness of an LRAP Loan**

One year after making an LRAP loan to an individual, the School will forgive the LRAP loan in full if the individual satisfies the following requirements: (i) the individual has held Qualifying Employment for the entire time period consisting of April 1 of the calendar year in which the LRAP loan is made until April 1 of the following calendar year, (ii) the individual demonstrates that he or she is within the Annual Salary Limit for the calendar year in which the LRAP loan is made, and (iii) the individual did not make a material, intentional misrepresentation in (a) estimating his or her (and spouse's, if married) annual income for the calendar year in which the LRAP loan is to be made, and (b) providing the number of dependents that the individual (and spouse, if married) expects to claim on the federal income tax return for the calendar year in which the LRAP loan is made.

To the extent that an LRAP loan is not forgiven, the individual will have one year to repay the loan, along with interest based on the interest rate established for Stafford loans as of the date that the promissory note for the LRAP is executed by the individual and the School.

### **D. Federal Income Tax Consequences of LRAP Loan Forgiveness**

LRAP loan recipients should consult a tax advisor regarding taxability of the forgiveness of LRAP loans. Section 108(f) of the Internal Revenue Code (IRC) details the requirements for tax-free forgiveness of loans of this type. LRAP loan recipients working for a non-profit 501(c)(3) organization that are working to meet community needs **may** have the forgiven amount excluded from their taxable income. **However, as indicated above, we strongly encourage graduates to consult a tax advisor about the forgiven amount of an LRAP loan.** The School will not be withholding any part of your disbursements for taxes, so please plan ahead.

### **E. Size of LRAP Loans**

Currently, it is the intent of the School to make LRAP loans in an amount not to exceed \$4,000 for each loan. Because the program is operating on limited and non-guaranteed funding, it may not be possible to make LRAP loans to all applicants meeting the requirements for receiving an LRAP Loan. The general goal of the program is to assist a few individuals with meaningful awards, rather than many individuals with small awards. The Dean of the Law School will determine the total amount available for LRAP loans on an annual basis.

## **F. How to Apply**

Submit the following materials to the Law Career Development Office:

1. Copy of your 2011 Federal Tax Return (1040), or submit an affidavit of Non-Filing.
2. Copies of your spouse's and your year-end pay stubs and W2 forms for 2012, or a copy of your 2012 Federal Tax Return (1040).
3. Prepare and attach an essay, no more than 250 words in length, describing your commitment to public service, your relevant experience, and how your current position contributes to the public good.

In addition, you must provide your employer and lenders with the attached Verification Forms which must be submitted under separate cover as follows:

1. Employer should send via fax or email the completed Employer Verification Form.
2. Loan holders should send via fax or email the Lender Verification Form.



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**2013 APPLICATION**

**DEADLINE: 4:00 P.M., MARCH 8, 2013**

**A. PERSONAL INFORMATION**

1. Name: \_\_\_\_\_  
First Middle Last

2. Address: \_\_\_\_\_  
Street  
\_\_\_\_\_  
City State Zip

3. Phone: \_\_\_\_\_  
Home Work Cell

4. Email: \_\_\_\_\_

5. Name and address of employer (for post-graduate position):

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip

6. Supervisor's name, telephone number and email address:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Phone Email

7. Describe work typically performed by office/agency:

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8. What is your annual salary? \_\_\_\_\_

9. What is your current law school debt? \_\_\_\_\_

10. What is your monthly loan payment amount? \_\_\_\_\_

11. What is your job title? \_\_\_\_\_

12. Spouse's Name: \_\_\_\_\_

13. Spouse's Employer's Name: \_\_\_\_\_

14. Nature of work: \_\_\_\_\_

15. Spouse's Annual Salary: \_\_\_\_\_

16. Name(s) and Age(s) of Dependent Children: \_\_\_\_\_

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**B. FINANCIAL INFORMATION**

***Provide the current value of the following Combined Assets:***

1. Amount of cash savings: \_\_\_\_\_

2. Home, Condo, Co-op value: \_\_\_\_\_

3. Amount still owed on this property: \_\_\_\_\_

4. Other investment and real estate: \_\_\_\_\_

5. Beneficial interest in any trusts: \_\_\_\_\_

6. Total Outstanding Undergraduate Debt

Applicant: \_\_\_\_\_

Spouse: \_\_\_\_\_

**C. LAW SCHOOL DEBT INFORMATION**

Please provide the names of each lender, type of loan, monthly payment, and outstanding balance on loans received during Law School. These should include your Stafford Loans, Perkins Loans, and private educational loans associated with your attendance at the University of Baltimore School of Law. If you need more room, please use the back.

**Lender 1:** \_\_\_\_\_

Type of Loan: \_\_\_\_\_

Monthly Payment: \_\_\_\_\_

Outstanding Balance: \_\_\_\_\_

Total Debt: \_\_\_\_\_

Are you in default? \_\_\_\_\_

If yes, explain. \_\_\_\_\_

**Lender 2:** \_\_\_\_\_

Type of Loan: \_\_\_\_\_

Monthly Payment: \_\_\_\_\_

Outstanding Balance: \_\_\_\_\_

Total Debt: \_\_\_\_\_

Are you in default? \_\_\_\_\_

If yes, explain. \_\_\_\_\_

**Lender 3:** \_\_\_\_\_

Type of Loan: \_\_\_\_\_

Monthly Payment: \_\_\_\_\_

Outstanding Balance: \_\_\_\_\_

Total Debt: \_\_\_\_\_

Are you in default? \_\_\_\_\_

If yes, explain. \_\_\_\_\_

**Lender 4:** \_\_\_\_\_

Type of Loan: \_\_\_\_\_

Monthly Payment: \_\_\_\_\_

Outstanding Balance: \_\_\_\_\_

Total Debt: \_\_\_\_\_

Are you in default? \_\_\_\_\_

If yes, explain. \_\_\_\_\_

**Lender 5:** \_\_\_\_\_

Type of Loan: \_\_\_\_\_

Monthly Payment: \_\_\_\_\_

Outstanding Balance: \_\_\_\_\_

Total Debt: \_\_\_\_\_

Are you in default? \_\_\_\_\_

If yes, explain. \_\_\_\_\_





## THE UNIVERSITY OF BALTIMORE SCHOOL OF LAW LOAN REPAYMENT ASSISTANCE PROGRAM (LRAP)

### CERTIFICATION

- I agree to notify immediately the University of Baltimore School Law Career Development Office of any changes to my contact information and application.
- I certify that all the information submitted on this application is true and complete to the best of my knowledge.
- I understand that failure to provide all requested information in compliance with program guidelines and deadlines will result in my ineligibility to receive benefits under this program.
- I agree that all funds received from LRAP will be used solely for the purpose of repaying my outstanding law school loans.
- I acknowledge that I have read the LRAP Policies and Guidelines and agree that any assistance that I receive is subject to, and governed by, these Policies and Guidelines.
- I understand that these Policies and Guidelines may be modified in the future by the LRAP committee.
- I understand that I should consult a tax professional regarding any potential tax consequences of receiving an LRAP award.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date



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**LENDER VERIFICATION FORM**

***Part A: To be completed by applicant***

Name: \_\_\_\_\_ Soc. Sec. No.: \_\_\_\_\_

Address: \_\_\_\_\_

I authorize the release of the information requested below to the University of Baltimore School of Law.

\_\_\_\_\_  
*Applicant's Signature*

\_\_\_\_\_  
*Date*

**Part B: To be completed by the lender**

Please provide the following information on all loans owed by the person referenced above and return this form to the University of Baltimore School of Law LRAP via email to [lawcareer@ubalt.edu](mailto:lawcareer@ubalt.edu), or by fax at 410.837.4696.

Type of loan: \_\_\_\_\_ Original Amount Borrowed: \_\_\_\_\_

Capitalized interest: \_\_\_\_\_ Interest Rate: \_\_\_\_\_

Initial Disbursement Rate: \_\_\_\_\_ Unpaid Balance: \_\_\_\_\_

Required Monthly Payment: \_\_\_\_\_

1st Payment Due: \_\_\_\_\_ Final Payment Due: \_\_\_\_\_

Is this loan currently in Default/Deferment/Forbearance? \_\_\_\_\_

If so, please explain: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

Name and Title: \_\_\_\_\_

Lender's Name: \_\_\_\_\_

Lender's Address: \_\_\_\_\_



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**EMPLOYER CERTIFICATION FORM**

***Part A: To be completed by the applicant***

Name: \_\_\_\_\_ Soc. Sec. No.: \_\_\_\_\_

I authorize my employer \_\_\_\_\_, to provide the information requested in Part B to the University of Baltimore School of Law LRAP.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

***Part B: To be completed by the employer***

Please complete the information requested below concerning the employment status of the above-referenced individual, and return this form to the University of Baltimore School of Law LRAP via email to [lawcareer@ubalt.edu](mailto:lawcareer@ubalt.edu), or by fax at 410.837.4696. The information you are providing will enable us to determine whether employee is eligible for loan repayment assistance. If you have any questions regarding this matter, please contact D. Jill Green, Assistant Dean, Law Career Development, at 410.837.4404. Thank you for your cooperation.

Dates of employment: \_\_\_\_\_ Full-time: Y/N Hours/Week: \_\_\_\_\_

Current Annual Gross Salary: \_\_\_\_\_

Is salary increase expected in 2013? Y/N

If so, please specify amount and effective date: \_\_\_\_\_

Describe type of work performed: \_\_\_\_\_

\_\_\_\_\_

Employer Name: \_\_\_\_\_

Employer Address: \_\_\_\_\_

Employer Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

Is your organization qualified for tax exemption under I.R.C. 501(c)(3) as determined by the Internal Revenue Service? Y/N

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

Name and Title: \_\_\_\_\_