



THE FLORIDA BAR FOUNDATION

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LOAN REPAYMENT ASSISTANCE PROGRAM (LRAP)

PROGRAM DESCRIPTION

Purpose: To strengthen and expand legal assistance for the poor by supporting the recruitment and retention of the most qualified civil legal aid staff attorneys (staff attorneys) who are employed by legal assistance organizations that receive grant funding from the Florida Bar Foundation for the provision of civil legal aid. Staff attorneys participating in the Loan Repayment Assistance Program (LRAP) must use the funds to pay down their student loan debt.

Definition: Eligible Participant is defined as:

- I. A lawyer employed by either a current Florida Bar Foundation funded civil legal aid organization, a civil legal aid organization which has received funding in at least one of the preceding five years, or other civil legal aid organization vetted and approved from time to time by the Board, on at least a 50% FTE (full-time equivalent) basis; and
 - II. A lawyer on staff who spends more than half of their time providing legal services and legal assistance to clients on behalf of the organization.
1. Eligibility Standards. Applicants and participants must meet the following eligibility:
- a. Applications and supporting materials must be timely submitted. No exceptions for late applications.
 - b. Must be legally authorized and permitted to practice law in the state of Florida.
 - c. Be in full compliance with LRAP Eligibility Standards during the entire loan period, if a current LRAP participant.
 - d. LRAP must be paid toward student loans associated with obtaining a law degree.

Student loans associated with undergraduate-degrees are considered eligible debt for the Foundation's LRAP, but funds will not be loaned for that type of debt alone.

- e. Eligible Participant(s) may include staff attorneys, managing attorneys, supervising attorneys, litigation/advocacy directors, and intake directors so long as they have a caseload, provide legal services and legal assistance to clients on behalf of their civil legal aid organization, and otherwise satisfy the definition of an Eligible Participant.

2. Ineligible Applicants. The following individuals are ineligible to participate in LRAP:

- a. Executive Directors and Interim Executive Directors.
- b. Staff members who are attorneys by training but who otherwise primarily perform administrative or other services for the organization.

For example, the following staff members are not eligible to participate in LRAP: technology, finance, human resources, and other staff who provide services primarily to the employing organization rather than providing more than 50% of their time on civil legal services and legal assistance to clients.

- c. Staff attorneys, teaching assistants, fellows, and other legal staff employed by law school clinical and other programs that receive Foundation funding while employed by law school clinical or other programs.
- d. Attorneys employed by public service or government agencies such as, but not limited to: Public Defender, State Attorney, Guardian ad Litem, Department of Children and Families, and local government.
- e. Contract attorneys, or attorneys who are employed for a specific duration or for a specific project or purpose and who are not considered to be staff attorneys that receive all the qualified legal aid organization's benefits.

3. Benefit Award Amount and Debt Eligibility. Each qualified participant may receive a standardized maximum annual LRAP benefit amount of \$5,000 per calendar year that they apply for LRAP, subject to the Foundation's availability of annual funding for the LRAP program. Participants who receive LRAP benefits must pay all of the excess LRAP funds to their student loan lender(s) for the specific purpose of reducing their student loan debt. This applies to all LRAP recipients, regardless of whether the LRAP amount exceeds required annual student loan payments and/or exceeds the total amount of annual automated student loan payments. In the event an eligible participant's principal balance is equal to or less than the maximum annual benefit amount, the participant will only qualify for a loan in the amount of the principal balance. Any benefit amount may be reduced by the Foundation, at its discretion, if funding is not available to maintain benefits at the \$5,000 standardized level for all eligible participants.

4. Term. Benefits will be in the form of one-year loans (loan period) that run from January 1 to December 31. Applications for loan forgiveness are accepted annually and loans may

be forgiven at the end of each calendar year provided the participant remains employed on a full time or at least part time (50% or greater FTE) basis for the full loan year by a civil legal aid organization and is otherwise in compliance with the LRAP Eligibility Standards. Benefits are designed to be non-taxable under federal tax law. Loans will be for one year with loan proceeds disbursed semi- annually. The loan shall be evidenced by a promissory note in a form required by the Foundation executed by the borrower (participant) and shall bear interest at a rate of 3%__per annum. Continued benefits and the amount and terms of such benefits are subject to the Foundation's availability and allocation of annual funding for this program. *If funding is unavailable, LRAP may be suspended or discontinued.*

5. Default. LRAP payments are a loan, that unless forgiven, must be paid back to the Foundation under the terms of the promissory note and this program description. The following events constitute a default:

- a. If an LRAP participant voluntarily resigns (quits) or is terminated for cause during the term of the LRAP loan period, all LRAP benefits received during the LRAP loan period shall be repayable to the Foundation according to the terms of the promissory note.
- b. Any LRAP participant laid off or terminated involuntarily without cause due to a decline in grantee revenue or funding shortages.
- c. Change in Circumstances. Participants must immediately notify the Foundation of any change in circumstances that may affect their ability to pay the required benefit amount toward their eligible student loans or that would otherwise cause them to no longer qualify as eligible under the Eligibility Standards. Failure to do so may result in default of their loan.

6. Application Process and Selection of Participants. All qualified participants with student loans who are employed at a qualified civil legal aid organization and who meet the Eligibility Standards above are eligible to apply. New applicants and current participants must follow the application process as follows:

- a. On-line applications will be available one time per year. Application information will be distributed to current participants and grantee organizations for distribution to staff attorneys prior to the application period. Applications will typically be made available three months prior to the upcoming year's LRAP period.
- b. Participants will be chosen from among all timely applications, with priority given to current participants. In any year in which the amount of LRAP funding is insufficient to fund all current participants who reapply, current participants' applications will be selected at random. In any year in which the amount of LRAP funding is sufficient to fund both current participants who reapply and some, but not all, new applicants, new applicants will be selected at random to participate in the program.

- c. Applications and supporting materials will only be accepted one time per year. Due to funding limitations, LRAP applications will not be accepted at any other times during the year to accommodate new hires at qualified civil legal aid organizations.
- d. The Foundation reserves the right to make all final LRAP participant selection and funding decisions.

7. Timing of Selection and Loan Disbursements.

- a. Timing of LRAP Participant Selection: Selection of eligible participants will typically be in December of each year for the upcoming calendar year's LRAP. However, the Foundation reserves the right to change both the selection and loan period for administrative purposes.
- b. Loan Disbursements: Loan disbursements will be made semi-annually. Loan disbursements are subject to and conditional upon participant's continuing eligible employment and certification that the participant is using the loan proceeds in accordance with the terms of this program

8. Loan Forgiveness:

- a. Loan Forgiveness Process. Participants may be eligible for LRAP loan forgiveness (meaning they will not have to repay their LRAP loan to the Foundation) at the end of the loan period based on the following requirements: participants must certify on or before 11:59:59 p.m. on December 31 that: 1) they were employed by a civil legal aid organization qualified to participate in this program during the loan period; 2) they spent more than 50% of their time during such employment providing legal services and legal assistance to the poor; and 3) they used the entirety of the LRAP loan proceeds received toward paying off or down their student loans as detailed in their LRAP application and in accordance with the purpose of the program. Reminders and form certifications will be sent to each current participant on or around December 1 of each year. Default for failure to pay or failure to timely submit a certification of forgiveness shall result in ineligibility for forgiveness and ineligibility for future LRAP until such time as the default is cured or all previous loans are forgiven or paid off in full. LRAP loans will be considered by the Board for forgiveness during the March meeting following submission of certifications for the preceding loan year.
- b. Forgiveness for those participants laid off or terminated involuntarily without cause due to decline in revenue or funding shortages. Participants laid off or terminated involuntarily without cause due to a decline in grantee revenue or funding shortages will be considered for loan forgiveness on a pro rata basis, based upon the actual number of months the participant was employed, or based upon the total amount of payments made by the participant to payoff qualified student loan balance(s) during the loan period, whichever is greater.

- i. For example, a staff attorney participating in LRAP who is laid off or terminated involuntarily without cause during the 9th month of their 12-month loan period due to a decline in grantee revenue or funding shortages, and has paid 75% of his/her LRAP loan towards qualifying student loans, would be considered for forgiveness of his/her LRAP loan to the extent of 75% of the amount of LRAP loan for that year. S/he would be required to repay the Foundation the remaining 25% of the LRAP benefits received in accordance with the terms of his/her promissory note. If in this same example the attorney had paid 100% of his/her LRAP loan towards qualifying student loans at the time s(h)e was terminated involuntarily and without cause, the attorney would be considered for forgiveness to the extent of 100% of the LRAP loan for that year.
- c. Audit. The Foundation may audit or review loan payments and participants throughout the term of the LRAP loan to protect the integrity of the program and program compliance. Participants may be selected at random or for reasonable cause. Selected participants must respond timely and adequately to any audit request, including providing copies of any documents requested by the Foundation reasonably related to the loan. If requested, participant must provide acceptable proof of lender payment history. Acceptable documentation for proof of lender payment history is documentation in PDF format showing:
 - i. the participant's name;
 - ii. the student loan lender's name; and
 - iii. payments to student loan lender during the loan period.

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