

Civil Legal Assistance Attorney Student Loan Repayment Program Questions and Answers

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The information below describes the Civil Legal Assistance Attorney Student Loan Repayment Program. It includes general program information, eligibility requirements, and application procedures.

To download a Civil Legal Assistance Attorney Student Loan Repayment Application To Participate and Service Agreement in PDF format, go to www.studentaid.ed.gov.

The Questions & Answers (Q&As) provide information about the Civil Legal Assistance Attorney Student Loan Repayment Program, authorized by Section 428L of the Higher Education Act of 1965 as amended. We have grouped the Q&As into five categories: Program Overview, Eligibility Requirements, Application Procedures, Service Agreement, and General Information.

Civil Legal Assistance Attorney Student Loan Repayment Program Overview

Q1 What is the Civil Legal Assistance Attorney Student Loan Repayment Program?

A1 The Civil Legal Assistance Attorney Student Loan Repayment Program was established to encourage qualified individuals to enter and continue employment as civil legal assistance attorneys. Under the Civil Legal Assistance Attorney Student Loan Repayment Program, an eligible student loan borrower, with one or more eligible loans, may receive up to \$6,000 in student loan repayment for each year of completed service up to an aggregate total of \$40,000. Loan repayment commitments are limited to the amount appropriated for the program for a given fiscal year by the Congress and are only available to eligible applicants until those funds are fully committed. Therefore, awards under this program will be available to eligible borrowers on a **first-come/first-served basis**.

- Determination of first-come, first-served will be based on the date and time the borrower's application was received by the U.S. Department of Education.
- A borrower may not receive benefits for the same service under both the Civil Legal Assistance Attorney Student Loan Repayment Program and the Loan Forgiveness for Service in Areas of National Need Program under section 428K of the HEA, 20 U.S.C 1078-11, or the Public Service Loan Forgiveness Program under section 455 (m) of the HEA, 20 U.S.C. 1087e (m).

Civil Legal Assistance Attorney Student Loan Repayment Program Eligibility Requirements

Q2 What are the borrower eligibility requirements for loan repayment under the Civil Legal Assistance Attorney Student Loan Repayment Program?

A2 Eligibility requirements under the Civil Legal Assistance Attorney Student Loan Repayment Program are as follows:

- An eligible borrower must be employed full-time as a civil legal assistance attorney by either



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- (1) A nonprofit organization that provides legal assistance, without a fee, on civil matters to low-income individuals; or
- (2) A protection and advocacy system or client assistance program that provides legal assistance on civil matters to clients and receives funding under:
 - (1) Subtitle C of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15041 *et seq.*);
 - (2) Section 112 or section 509 of the Rehabilitation Act of 1973 (29 U.S.C. 732, 794e);
 - (3) Part A of title I of the Protection and Advocacy for Individuals with Mental Illness Act (42 U.S.C. 10801 *et seq.*);
 - (4) Section 5 of the Assistive Technology Act of 1998 (29 U.S.C. 3004);
 - (5) Section 1150 of the Social Security Act (42 U.S.C. 1320b-21);
 - (6) Section 1253 of the Public Health Service Act (42 U.S.C. 300d-53); or
 - (7) Section 291 of the Help America Vote Act of 2002 (42 U.S.C. 15461).

- Subject to available funding, student loan repayment benefits will be paid after the borrower completes each year of service required under the borrower's Service Agreement with the Department of Education.
- An eligible borrower must have an eligible loan to receive loan repayment benefits under the Civil Legal Assistance Attorney Student Loan Repayment Program. The federal student loans eligible for repayment under the Civil Legal Assistance Attorney Student Loan Repayment Program are:
 - ◆ Federal Perkins Loans (Perkins Loan)
 - ◆ Federal Family Education Loans (FFEL) (Subsidized, Unsubsidized, and Graduate PLUS)
 - ◆ Federal Family Education Consolidation Loans that did not repay a parent PLUS loan
 - ◆ William D. Ford Federal Direct Loans (Subsidized, Unsubsidized, and Graduate PLUS)
 - ◆ William D. Ford Federal Direct Consolidation Loans that did not repay a parent PLUS loan
- An eligible borrower must not be in default on a loan for which the borrower seeks repayment under the Civil Legal Assistance Attorney Student Loan Repayment Program.
- An eligible borrower must be continually licensed to practice law.
- An eligible borrower must complete the Civil Legal Assistance Attorney Student Loan Repayment Program application and execute a Service Agreement with the Department of Education.

Civil Legal Assistance Attorney Student Loan Repayment Program Application Procedures

Q3 What are the specific application procedures to participate in the Civil Legal Assistance Attorney Student Loan Repayment Program?



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- A3 Each eligible borrower must complete the Civil Legal Assistance Attorney Student Loan Repayment Application To Participate and Service Agreement and follow the instructions below:
- The Civil Legal Assistance Attorney Student Loan Repayment Program Application and Service Agreement is available at: www.studentaid.ed.gov. Borrowers may also request an application and Service Agreement form by calling toll-free at 877-699-1834.
 - The application and Service Agreement must be complete and accurate before the borrower can be evaluated for participation in the Civil Legal Assistance Attorney Student Loan Repayment Program. The application will be denied if incomplete or the borrower does not sign and date the application.
 - To assure consideration, applications must be received no later than **August 16, 2010**.
 - Given available funding for fiscal year 2010, the Department estimates that fewer than 1,000 eligible applicants will ultimately receive awards. Accordingly, and particularly in light of the first-come, first-served nature of the program, applicants are strongly encouraged to submit their applications at the earliest possible date.
 - Completed and signed applications can be returned to the Department of Education as follows.
 - Fax Number : 1-315-738-6674
 - Mail: U.S. Department of Education
Civil Legal Assistance Attorney Student Loan Repayment Program
PO Box 4399
Utica, NY 13504
 - Overnight mail: Call 877-699-1834 for courier/overnight address

It is important to note that applications will be processed on a **first-come/first-served basis** and will be date and time stamped and processed in the order they are received. If the application is denied because it is incomplete, the Department of Education will send a letter to the borrower explaining the reason it was denied and include a blank application should the borrower want to resubmit. The resubmitted request will receive a new date and time stamp.

- Borrowers with questions on the Civil Legal Assistance Attorney Student Loan Repayment Program may call toll free at 1-877-699-1834.

Civil Legal Assistance Attorney Student Loan Repayment Program Service Agreement

Q4 What is the Civil Legal Assistance Attorney Student Loan Repayment Program Service Agreement?

A4 To be eligible to receive and retain payment benefits under the Civil Legal Assistance Attorney Student Loan Repayment Program, the eligible borrower must execute a written Service Agreement with the Department of Education that specifies the following:

- The borrower is employed full-time as a civil legal assistance attorney and will remain employed as a civil legal assistance attorney for a period of not less than three years after the



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Service Agreement is signed unless the borrower is involuntarily separated from that employment.

- If the borrower fails to meet the continued employment condition, the borrower must repay the Department of Education the amount of any benefits received by the borrower under the Service Agreement.
- If the borrower is involuntarily separated from qualifying employment as a result of misconduct or voluntarily separates from employment before the end of the service period specified in the Service Agreement, the borrower must repay the Department of Education the amount of any benefits received by the borrower under the Service Agreement.
- If a borrower who is required to repay an amount to the Department of Education fails to do so, the amount will be collected by the Federal Government as a federal debt using all the methods provided by law for recovery of amounts owed to the Federal Government.
- The Department of Education makes student loan payments on behalf of the borrower for the period of the agreement, subject to the availability of annual appropriations. If the Congress does not appropriate funds for the Civil Legal Assistance Attorney Student Loan Repayment Program for a given year, benefits will not be available. A borrower is obligated to complete the entire period covered by the borrower's Service Agreement even if additional loan repayments are not made.
- The Department of Education does not reimburse a borrower for any payments the borrower made on a student loan prior to the date on which the borrower entered into a written Service Agreement with the Department of Education.

Civil Legal Assistance Attorney Student Loan Repayment Program – General Information

- Q5 Are loan amounts repaid under the Civil Legal Assistance Attorney Student Loan Repayment Program considered taxable income?**
- A5 No. According to the IRS, student loan amounts forgiven under the Civil Legal Assistance Attorney Student Loan Repayment Program are not considered income for tax purposes.
- Q6 Is income a factor in determining eligibility for the Civil Legal Assistance Attorney Student Loan Repayment Program?**
- A6 No. Income is not a factor in determining a borrower's eligibility for loan repayment under the Civil Legal Assistance Attorney Student Loan Repayment Program.
- Q7 Are loans that are in default eligible for repayment under the Civil Legal Assistance Attorney Student Loan Repayment Program?**
- A7 No. However, a borrower with a defaulted loan may be eligible for participation in the Civil Legal Assistance Attorney Student Loan Repayment Program by consolidating the defaulted loan or by rehabilitating the defaulted loan. Rehabilitation includes making at least nine on-time payments on the defaulted loan. Specific information on the rehabilitation of a defaulted loan is available from the holder of the defaulted loan.



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- Q8** Are joint Direct Consolidation Loans (consolidation loans made jointly to married borrowers) eligible for the Civil Legal Assistance Attorney Student Loan Repayment Program?
- A8** Yes. However, if only one of the two borrowers meets the eligibility requirements for the Civil Legal Assistance Attorney Student Loan Repayment Program, the repayment applies only to the remaining balance of the joint consolidation loan that is attributable to the loans originally received by the borrower who performed the qualifying employment.
- Q9** Are PLUS loan borrowers eligible for participation in the Civil Legal Assistance Attorney Student Loan Repayment Program?
- A9** Graduate PLUS borrowers can receive benefits under the Civil Legal Assistance Attorney Student Loan Repayment Program by working as civil legal assistance attorneys; however, Parent PLUS loan borrowers are not eligible to receive loan repayment under the Civil Legal Assistance Attorney Student Loan Repayment Program, even if they consolidate these loans. It is important to note that a consolidation loan that includes a Parent PLUS loan is not eligible for repayment under the Civil Legal Assistance Attorney Student Loan Repayment Program.
- Q10** What is considered full-time employment as a Civil Legal Assistance Attorney?
- A10** Full-time employment for the purpose of participation in the Civil Legal Assistance Attorney Student Loan Repayment Program means working as a civil legal assistance attorney for the greater of (1) an annual average of at least 30 hours per week, or (2) unless the qualifying employment is with two or more employers, the number of hours the employer considers full-time. Vacation or leave time provided by the employer or leave taken for a condition that is a qualifying reason under the Family and Medical Leave Act of 1993, 29 U.S.C. 2612 (a) (1), is not considered in determining the average hours worked on an annual basis.
- Q11** What is the application renewal process?
- A11** A loan repayment commitment to a borrower in one fiscal year does not guarantee a commitment for the remainder of the years covered by the borrower's service agreement or in future years. Priority for student loan repayment in any fiscal year is given to borrowers who have received forgiveness benefits during the preceding fiscal year and have not yet completed the three years of service under their first service agreement, and to new applicants who have practiced law for a period of five years or less and have spent not less than 90 percent of that period working as civil legal assistance attorneys.



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