

DUKE LAW LOAN REPAYMENT ASSISTANCE PROGRAM (LRAP)
FREQUENTLY ASKED QUESTIONS (FAQs)

Q: What is Tier 1 Eligible Employment?

A: Tier 1 Eligible Employment is defined as “the practice of law in the public interest.” As provided in the Policy, to qualify for Tier 1 the position must require a J.D. and involve the full-time provision of legal services. If the position is with a private entity or organization, that entity must be a public interest organization which meets the requirements of §501(c)(3) of the Internal Revenue Code and be exempt from tax under §501(a). If the position is not with a private entity or organization, the graduate must be employed as a domestic government prosecutor or public defender.

Q: What are typical Tier 1 jobs?

A: Examples of typical Tier 1 jobs are:

- Prosecutor
- Public Defender
- Lawyer with Legal Aid
- Lawyer with the National Resources Defense Council
- Lawyer with the Southern Coalition for Social Justice
- Lawyer with the Bazelon Center for Mental Health Law

Q: Are jobs in private colleges and universities covered under Tier 1?

A: Although these employers generally meet the requirements of §501(c)(3) of the Internal Revenue Code, jobs for colleges and universities are not typically covered under Tier 1 because these institutions are not also public interest organizations. However, where the particular position involves the full-time provision of legal services to a sub-division of an institution (other than Duke University) that is the equivalent of a public interest organization – for example, staff attorney for a clinic that serves the public – the fact that the employer is a college or university does not preclude coverage under Tier 1.

Q: Are public interest jobs with other §501(c) organizations covered under Tier 1?

A: §501(c) of the Internal Revenue Code lists twenty-nine different kinds of tax-exempt, non-profit organizations. For tax reasons, however, Duke Law’s LRAP only covers public interest jobs with organizations that qualify for §501(c)(3) status. These organizations are the most common §501(c)s; they include most charitable organizations.

Q: What is Tier 2 Eligible Employment?

A: Tier 2 Eligible Employment is defined as "public service employment." As provided in the Policy, to qualify for Tier 2 the position must require a J.D. and involve the full-time provision of legal services to a United States-based government employer, including a local or state government or the federal government.

Q: What are typical Tier 2 jobs?

A: Examples of typical Tier 2 jobs are:

- Lawyer with a State Attorney General's office
- Lawyer with the United States Department of Justice
- Lawyer with the United States Department of Transportation
- Lawyer with the United States Department of Housing and Urban Development
- Legal Counsel for a state or federal legislative committee

Q: Why are judicial clerkships not eligible under Tier 2 or Duke's LRAP policy?

A: Because most graduates who clerk for state and federal judges are compensated for their service by their future legal employers – clerkship bonuses and/or time served are most typical – judicial clerkships are not covered by Duke's LRAP unless they are permanent, full-time positions. Graduates who have not yet committed to permanent employment following their clerkships are in any event covered by the federal government's Income Based Repayment and Public Service Loan Forgiveness Programs.

Q: Are jobs with public college and universities covered under Tier 2?

A: Although public colleges and universities are subsidized by the government, they are not the government and so do not qualify as Tier 2 employers. However, where the particular position involves the full-time provision of legal services to a sub-division of a public institution that is the equivalent of a public interest organization – for example, staff attorney for a clinic that serves the public – the fact that the employer is a college or university does not preclude coverage under Tier 1.

Q: What are "legal services"?

A: Legal services are the provision of legal advice to a client or the representation of a client in a legal proceeding or transaction.

Q: Are there any other types of positions that may qualify as eligible employment?

A: Part II(E)(3) of the Policy provides that some jobs with Tier 1 and Tier 2 employers *may* be eligible for LRAP funding even if they do not require the graduate to have a J.D. or involve the full-time provision of legal services. Examples of jobs that *may* qualify under Part II(E)(3) include:

- Analyst with a federal administrative agency
- Asylum Officer with U.S. Citizenship and Immigration Services
- Analyst with a civil rights or environmental advocacy organization

Q: What jobs likely would *not* qualify under Part II(E)(3)?

A: Examples of jobs that would likely *not* qualify include:

- Police officer
- Research ecologist

Q: How does the Associate Dean of Admissions and Financial Aid determine whether an applicant is eligible under Part II(E)(3)?

A: If the job requires a J.D. but does not involve the full time provision of legal services, the Associate Dean of Admissions and Financial Aid takes into account the extent to which the job involves the provision of legal services. If the job does not require a J.D. and/or the graduate is not providing legal services, the Associate Dean will seek to establish the extent to which the graduate is using his or her legal training to a significant degree. Whether a J.D. is preferred or the job is often held by members of the legal profession is relevant in the evaluation.

Q: Does LRAP cover international public interest and public service jobs, for example with a Non-Governmental Organization (NGO) or a foreign government?

A: For tax reasons, the program does not cover jobs with overseas organizations and governments.

Q: Why does Duke Law tier eligible employment and how do the tiers affect graduates?

A: Duke Law aims to provide loan repayment assistance to all graduates who work in public interest and public service jobs and, in recent years, has been able to provide full assistance to all eligible graduates. At the same time, it is important to have a plan in place in the event that applicants for loan repayment assistance exceed the allocated funds in any given period. The tiers represent that plan. They assure that in the unexpected event that there are insufficient funds to provide loan repayment assistance to all eligible applicants regardless of the nature of their work, full-time work as a lawyer for a public interest organization or as a prosecutor or public defender are funded before other work. This allocation reflects the original objectives of the Law School's LRAP program.

Q: How is work that qualifies under Part II(E)(3) tiered?

A. Work that qualifies under Part II(E)(3) is tiered on a case-by-case basis, taking into account the nexus between the nature of the job and the goals of the Program.

Q: How does LRAP work in conjunction with the federal "Income-Based Repayment" (IBR)/"Pay as You Earn" (PAYE) repayment plans and "Public Service Loan Forgiveness" (PSLF) program?

A. Eligible graduates who earn less than \$60,000 receive assistance that covers 100% of the monthly required payment when graduates place their loans in either the federal Income-Based Repayment program (IBR) or Pay as You Earn (PAYE) repayment plans. IBR/PAYE payments are generally not sufficiently large to pay off educational debt within the standard ten years repayment period. However, graduates who make 120 monthly IBR/PAYE payments while working in qualifying public service positions may have all remaining debt cancelled through the federal Public Service Loan Forgiveness (PSLF) program. Note: The President's FY 2015 budget proposal to Congress includes a cap on the amount of educational debt that qualifies for forgiveness through PSLF.

Q: What are IBR and PAYE?

A. Income-Based Repayment (IBR) and Pay As You Earn (PAYE) are two of several repayment options available to borrowers of federal student loans. Monthly payments in the IBR and PAYE plans are calculated based on a borrower's income rather than on the amount borrowed (as is the standard repayment plan). For information on IBR and PAYE, see: <https://studentaid.ed.gov/repay-loans/understand/plans/income-driven>

Q: What is PSLF?

A: The federal Public Service Loan Forgiveness (PSLF) program is intended to encourage individuals to enter and continue to work full-time in public service jobs. Under this program, borrowers may qualify for forgiveness of the remaining balance of their eligible federal student loans after they have made 120 monthly payments while working in qualifying public service employment. For information on the federal PSLF program, see:

<https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service>

Q: What percentage of my loan payments will be covered by LRAP?

A: If you earn \$60,000 or less, you will receive assistance that covers 100% of your loan payments in either the Income Based Repayment (IBR) or Pay as You Earn (PAYE) repayment plans. If you earn more than \$60,000 but less than \$75,000, you will receive partial assistance based on a smooth curve. The curve zeroes out at \$75,000. For example, a salary of \$63,000 would result in 80% loan assistance, a salary of \$67,500 would result in 50% assistance, and a salary of \$72,000 would result in 20% assistance.

Q: What do you use to calculate salary?

A: We consider all income from primary and secondary jobs as well as all investment income.

Q: If I am married, is my spouse's salary considered in the calculation?

A: Yes. We use the higher of two numbers, either the applicant's salary (if it is higher than the spouse's salary) or the average of the two salaries (if the applicant's salary is lower than the spouse's salary).

Q: What if I have children? Does that affect my salary calculation?

A: Yes. We deduct \$5,000 per child from the salary figure.

Q: Are assets considered?

A: Yes. A percentage is deducted for assets in excess of \$15,000.

Q: Can I use any repayment plan, or am I required to use IBR/PAYE?

A: You can choose the repayment plan that best suits you; however, we calculate LRAP awards using the lower of two numbers: The calculated IBR/PAYE amount, or your actual payment amount. If you are married and file your taxes jointly, the calculated IBR/PAYE amount is based on only your salary.

Q: Do my loans have to be consolidated to apply for LRAP?

A: No, loan consolidation is not required for Duke Law's LRAP. However it may be necessary to consolidate your loans for the purpose of Public Service Loan Forgiveness. For more information about the public program, please visit <https://studentaid.ed.gov/repay-loans/forgiveness-cancellation/charts/public-service>

Q: Why is assistance reduced for graduates who live on military bases?

A: Members of the military who live on base are supplied housing and food at no cost. Because a graduate who lives on a military base does not pay for basic living expenses, a larger proportion of his or her salary is available for educational loan payments than is available to a graduate who does not receive employer-paid meals and housing.

Q: What if my information changes after I receive an LRAP award, for example, I take a new job, get a raise, get married, or have my loan payment change?

A: If there are any changes in circumstances relevant to LRAP eligibility (salary, loan amount, assets, marital and family status, employment, etc.), you should notify us within 30 days. We will review the new information and calculate any adjustments to your award. If necessary, adjustments can often be applied to your next LRAP disbursement.

Q: If I believe the Office of Financial Aid has made a mistake with respect to my LRAP application, is there any recourse?

A: Yes, if you believe the Office has made an error processing your application including with respect to a threshold eligibility decision, you may appeal the decision to the Law School's Committee for Admissions and Financial Aid. The Office of Financial Aid will provide you with the information necessary to file this appeal.

Q: I have a question that isn't answered by these FAQs or I would like more details. What should I do?

A: Please contact the Office of Financial Aid with any questions. We will do our best to answer them so that you can make important decisions with the most complete information possible. You may contact us by phone at (919) 613-7025 or by email at financialaid@law.duke.edu