

California Western School of Law Loan Repayment Assistance Program Policy

I. Introduction:

California Western School of Law is committed to doing all that it can to help its graduates find their chosen places in the complex legal profession. One significant aspect of that profession is work in the public interest. Our society depends on lawyers to protect and defend the legal rights of the underrepresented and unrepresented. It is often the public interest lawyer who takes this charge.

The high costs of legal education and the economic struggles of non-profit and public service organizations often combine to prevent some law graduates from pursuing their place of choice in the public interest and public service components of our profession. They are simply unable to afford to take such positions because of the imbalance between salaries offered for such positions and the debt burden many law graduates face.

To better enable California Western graduates to accept such public interest positions, California Western School of Law establishes the following LOAN REPAYMENT ASSISTANCE PROGRAM (the "Program").

II. Mechanics of the Program:

- a. Generally. The CWSL Loan Repayment Assistance Program will be administered by a Loan Repayment Assistance Program Committee (the "Committee") to be established and comprised of the Assistant Dean of Student and Diversity Services, Director of Financial Aid, Vice President of Student Life, Assistant Dean for External Affairs, Chief Financial Officer, Assistant Dean for Career and Professional Development, two law faculty members appointed by the Dean to serve two year overlapping terms, and up to three student members to include the current President of the Public Interest Law Foundation (PILF), an LRAP Committee Representative from PILF and the most recent currently enrolled past President of PILF, if one exists.
- b. Application Process. The Committee will review all complete and timely applications. It will determine in its sole discretion which applicants will receive loan repayment assistance and in what amount. The determination of the Committee will be based on multiple factors including but not limited to: funds available for distribution, financial need, loan indebtedness and public interest commitment of eligible applicants.
- c. Application and Disbursement Dates: Applications for loan repayment assistance will be accepted annually. Applications and required supporting documentation include: statement of eligible employment and income, statements of assets and indebtedness/expenses with appropriate

supporting documentation statement of educational debt, personal statement, resume, optional statement of financial circumstances, signed copy of applicant's federal tax return for the previous year, and any other information or documentation requested by the Committee. For married, registered domestic partner or dependent applicants, statements and documents referenced above shall also be provided for/by spouse or registered domestic partner or claimant as the case may be. Applications must be resubmitted for any year for which a graduate seeks loan repayment assistance.

- d. Eligibility. In order to be eligible to apply for loan repayment assistance, a graduate must satisfy all of the following:
- i. Graduation: Applicants must be graduates of the Juris Doctor program at California Western School of Law.
 - ii. Type of Employment: Graduates are eligible for loan repayment assistance if they are employed or are to be employed:
 - 1. full time;
 - 2. in a law or law-related position; and
 - 3. by a legal aid, legal services or other nonprofit advocacy or policy organization qualifying for tax exemption under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code. Employment by a government agency does not satisfy this requirement.
 - iii. Graduation Year: Graduates are eligible for loan repayment assistance for the five years immediately following their graduation from the Juris Doctor program.
 - iv. Minimum Debt Requirement: Graduates with more than \$50,000 in certified law school debt are eligible to apply for loan repayment assistance.
- e. Loan Criteria: The ideology of the organization by which the graduate is employed will not be considered in determining eligibility for assistance. In determining who will receive assistance, the Committee will consider the applicants' financial needs, commitment to public interest, the number of applicants, the availability of present and future funds, the need for continuation of the Loan Repayment Assistance Program in the future, and any other relevant factors. Only the CFO and Director of Financial Aid will review applicants' raw financial information. They will then report to the committee the applicants' relative "scores".
- f. Awards: At the option of the award recipient, loan repayment assistance may be made as a forgivable loan or as a cash award.

- i. Forgivable loan: Loan repayment assistance will be made initially as a loan, carrying interest at the then-current Federal Direct Unsubsidized Loan interest rate. The proceeds of the loan will be used to make a lump-sum payment towards one or more of the recipient's student loans incurred while attending CWSL or during the bar study period following graduation from CWSL. The repayment of principal and interest on the loan will be due as detailed in the Program promissory note. However, the loan will be forgiven at the one year anniversary of the loan disbursement, provided that the recipient confirms, on the applicable required form and with required declaration, his or her successful completion of one full year of eligible employment. If the criteria are met and the loan is forgiven, no income will be reported to the IRS. If the recipient does not meet the above criteria, the loan will enter into repayment status. Two options are then available: (a) the individual may elect to repay all principal and interest due on the loan according to a mutually agreed upon repayment schedule or (b) California Western School of Law, at its sole discretion, may elect to forgive the debt which must be reported as additional income to the recipient on an IRS Form 1099 at the end of the calendar year in which the criteria was not met. In exercising its discretion, California Western School of Law may consider eligible employment prior to disbursement as a factor in favor of forgiveness. At the one-year anniversary of each disbursement, each recipient is required to submit a one-page report of their employment status and any changes thereto since the receipt of the disbursement.
 1. "Eligible employment" for purposes of forgiveness includes full-time paid employment as described under section II.d.ii.
 2. Up to six months of full-time unpaid work in a position otherwise described by section II.d.ii will also be considered eligible employment.
- ii. Cash award: Loan repayment assistance will be made in the form of a check payable directly to the student. The award must be reported as income on an IRS Form 1099 at the end of the calendar year in which the award was made.

III. Availability of Funds:

California Western School of Law makes no guarantee as to availability of funds in any given year or as to the duration of the Program. California Western School of Law reserves the right to revise or terminate the Program at any time in its sole discretion.