

**ALLEGHENY COUNTY BAR ASSOCIATION/ALLEGHENY COUNTY BAR FOUNDATION
Educational Loan Repayment Assistance Program (LRAP)**

PROGRAM OVERVIEW

I. Purpose

The purpose for the establishment and maintenance of the Allegheny County Bar Association/Allegheny County Bar Foundation Educational Loan Repayment Assistance Program (LRAP) (“the Program”) is to strengthen public legal services in the Allegheny County by supporting the recruitment and retention of the most qualified advocates. The program will assist in reducing the qualified educational loan debt of members working for eligible legal service organizations in Allegheny County.

The Loans and Scholarships Committee of the Allegheny County Bar Foundation (“the Committee”) will provide awards to eligible members for the purpose of reducing the qualified educational loan debt. These awards may be recurring or non-recurring and may be issued on an annual basis as funds are available.

II. Procedures

The Committee shall make awards in accordance with the terms and conditions set forth in this document. The Committee will advertise the availability of funds and prescribe application forms for awards not less than once per fiscal year to eligible applicants. The Committee shall have complete discretion to determine award amounts, qualifications, priorities, and all particulars of the award consistent with this document. It is recommended that the Committee shall advertise and accept applications from January 1 through April 15 each year.

III. Eligibility

Awards will be issued only to eligible applicants or participants. An “eligible applicant” must meet and demonstrate the following requirements as of the next January 1 following receipt of applications and notification of awards:

- (1) Applicant must be an “Active” member of the ACBA;
- (2) Applicant must be employed by an ACBA recognized public interest Legal Service Agency;
- (3) Applicant must be admitted to practice law in the Commonwealth of Pennsylvania as an attorney or otherwise qualified under Pennsylvania Bar Admission Rule 311 (Attorney Participants in Defender or Legal Service Programs);

(4) Applicant must have "eligible debt" as set forth below.

For purposes of this Program, a "Legal Services Agency" shall have the same meaning as ACBA's membership dues requirements, and shall include Juvenile Court Project, KidsVoice, Neighborhood Legal Services, Public Defenders Office, District Attorney's Office, and others.

Applicants agree to submit documentation to confirm their eligibility for receipt of any award.

IV. Awards

The Program may provide up to 3 years of benefits to any eligible applicant. The Program benefit will be the lesser of (a) \$3,600.00 per year (\$300.00 per month), or (b) 50% of the applicant's annual qualified educational loan debt payment obligation. In its discretion, the Committee may award lesser amounts if such would be in best interests of the Program.

In making any award, the Committee shall consider whether the applicant is eligible for or receiving monies from any other loan repayment or forgiveness program.

Continued benefits are subject to the fund availability and allocation of future funding for the Program. Once selected, a member may remain a participant without reapplication for up to three (3) years, subject to continued eligibility and availability of funds.

The Committee does not guarantee recurring funding to any member, applicant, or participant.

Awards will be in the form of one year loans which would be forgiven at the end of each year, provided the participant remains employed on a full time basis and retains eligible membership status. Loans shall be for one year with loan proceeds disbursed in accordance with the applicant's repayment obligations. The loan shall be evidenced by a promissory note in a form required by the Committee executed by the borrower (participant) and shall bear interest at a rate of 1% above the short-term applicable federal rate under Section 1274(d) of the U.S. Internal Revenue Code of 1986, as amended. In the event that the benefits under this Program are deemed taxable for any purpose, then the participant agrees that the participant and not the Program (nor the Committee, the Foundation, or the Association) shall be responsible for such tax obligations.

V. Award Selection

The Committee may make two awards (known as First Tier awards) to eligible applicants from each of the following Legal Service Agency Categories:

- (1) Juvenile Court Project,
- (2) KidsVoice,
- (3) Neighborhood Legal Services Office,
- (4) Allegheny County Public Defender's and Allegheny County District Attorney's Office (1 each) and
- (5) Other ACBA-recognized legal services agencies in Allegheny County.

If less than two awards are made in a Category in any given year, then any First Tier awards allocated to that Category may be reserved (carried over) to the following year for that Category.

At the sole discretion of the committee, eligible applicants will be considered for additional awards (known as Second Tier awards) based on relative need without regard to the applicant's Legal Service Agency. Second Tier awards may be full awards or partial awards in the discretion of the Committee.

In making additional awards, the Committee shall weigh the applicant's:

- (1) Annual income from all sources;
- (2) Annual qualified educational loan payments;
- (3) Outstanding qualified educational loan principal;
- (4) Qualified educational loan repayment terms and length;
- (5) Other assets available for repayment of qualified educational loans;
- (6) Service to the community, to the profession, to the bar, and to the association; and,
- (7) Applicant's written statement of qualifications, community service, and personal need.

VI. Qualified Educational Loan Debt

The program covers only undergraduate or law school government or private loans, such as GSL, ALAS-SLS-FISL, Law Access Loans (LAL), Law Loans and National Direct Student Loans (NDSL or Perkins Loans), Bar Exam Loans (BEL) as well as university or other private institutional loans, to the extent that the applicant is the lone obligor. Consolidated loans are eligible only to the extent that the applicant incurred those loans entirely for her or his undergraduate or law school education. Consolidated loans that include another person's loans will not be eligible.

VII. Tax Obligations

All award recipients will agree to assume responsibility for any tax obligation that may result from the issuance of an award. The Committee in its discretion may issue the award recipient an IRS Form 1099 evidencing the award.

VIII. Cooperation

The Committee will require the participant's cooperation in promoting the purposes of the Program, in increasing awareness of the program to the bar and to the public, and in increasing the Program's financial ability to make awards.

IX. Modification

The Committee reserves the right, privilege and ability to modify the terms and conditions of Program without prior notice to members, applicants, or participants.

Certification

I certify that I have read the LRAP Program Overview and agree to be bound by the obligations set forth in the Overview.