



## **LOAN REPAYMENT ASSISTANCE PROGRAM STRUCTURE AND ELIGIBILITY**

NC LEAF provides Loan Repayment Assistance Program (LRAP) funding for North Carolina lawyers in public service.

### **Reimbursement Amount:**

- LRAP funds will be distributed to recipients quarterly to reimburse that quarter's loan payments up to \$4,800 per year. The recipient funding cap of \$4,800 per year may be modified at the NC LEAF Board's discretion in accordance with the availability of NC LEAF funds. In an effort to support as many applicants as possible, partial awards may be considered.
- NC LEAF does not reimburse for any payments above the amount required by the recipient's loan repayment plan.

### **Application and Requirement to Apply Annually:**

- All applications for assistance may not be approved in a given year, depending on the amount of funding available and the size of the applicant pool.
- NC LEAF cannot guarantee that an applicant's funding will be continued after their initial award or that they will receive the same amount of assistance. However, it is NC LEAF's goal to provide loan repayment assistance for at least three years if the recipient continues to qualify for assistance.
- A recipient must reapply for loan repayment assistance annually and may reapply for up to ten years after their first LRAP distribution, so long as eligibility is maintained.

### **Tax and Public Service Loan Forgiveness Implications:**

- NC LEAF loan repayment assistance is structured so that loan amounts reimbursed through the program are not considered taxable income to recipients and are not reported as such (see IRS Revenue Ruling 2008-34). Nevertheless, each recipient remains responsible for any positions taken on their own income tax returns, and NC LEAF cannot give any recipient legal, tax, or financial advice.
- Attorneys working for public service employers may be eligible for federal student loan forgiveness after making 120 monthly payments through the Public Service Loan Forgiveness Program. This is a federal program that is not connected to NC LEAF, and



receiving NC LEAF loan repayment assistance does not impact loan forgiveness eligibility in any way.

#### NC LEAF RECIPIENT ELIGIBILITY:

1. EDUCATION AND LICENSURE

**An applicant must have earned a Juris Doctor (J.D.) degree from an ABA accredited law school, be a licensed member in good standing of the North Carolina State Bar, and be working in North Carolina.**

Preference will be given to applicants with ten years or less of active practice of law. These ten years need not be consecutive.

2. PUBLIC SERVICE EMPLOYMENT

**An applicant must be employed in a full-time, law-related role for a public service employer benefiting North Carolinians.**

Public service employers include organizations providing legal services to low-income North Carolinians; federal, state, or local government agencies; and 501(c)(3) nonprofit organizations. An otherwise eligible public service employer must also benefit North Carolinians as part of its mission, through direct representation, advocacy, or other substantial activity in the state.

Attorneys who spend at least 80% of their time on court-appointed representation and work full-time (defined as at least 35 hours per week) are welcome to apply for assistance. Court-appointed attorneys must certify that in the last fiscal year (July 1-June 30), they billed at least 1,456 hours of court appointed work.

Eligible roles do not include judicial clerkships.

3. ANNUAL INCOME LIMIT

**An applicant's annual public interest salary must not exceed \$101,299.<sup>1</sup>**

The Board shall also consider income from other sources including spouse/domestic partner earnings, alimony, child support, part-time or contract work, rental income, family trusts, or other resources.

4. DEBT AND LOAN REPAYMENT

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<sup>1</sup> This amount is set based on the statutory average for an assistant district attorney and assistant public defender as provided by the Appropriations Act.



**Priority will be given to applicants who owe more than \$10,000 of debt from law school or bar study loans.**

Priority will be given to assistance with federal education loans, but other institutional loans used for educational expenses may be covered. Loans from family and other private sources are not eligible for assistance. Loans for purposes other than those related to law school or bar study are not eligible for assistance. Applicants must remedy any loan in default, forbearance, or deferment prior to receiving assistance.

5. **LAW SCHOOL AND EMPLOYER LRAP**

**An applicant must exhaust all other LRAP programs.**

If an applicant's law school or employer has an LRAP program, the applicant must apply to their program for assistance before applying to NC LEAF. Should an award from another LRAP program be granted after NC LEAF's application deadline, including during the NC LEAF award period, the applicant or recipient must update NC LEAF accordingly.

Should an applicant believe their personal circumstances should qualify them for loan repayment assistance despite not meeting each of the above requirements, they should reach out to NC LEAF in advance of the application deadline to request special consideration.

**PROCESS TO APPLY FOR LOAN REPAYMENT ASSISTANCE THROUGH NC LEAF:**

The application period will open annually in November for the following calendar year and will remain open for at least four weeks. Late or incomplete applications will not be considered. Application decisions will typically be made by the end of February, and applicants will be notified electronically of the results of their application.

An additional off-cycle application period may be held in a given year if warranted by exigent circumstances as determined by NC LEAF staff. Should NC LEAF hold an off-cycle application period, application information will be published online at [ncleaf.org](http://ncleaf.org).

**RECIPIENT AWARD MODIFICATION OR TERMINATION:**

Records of loan amount due and payment confirmation will be required before quarterly reimbursements can be issued. Should a recipient experience a change in eligibility, such as a change of employer or a change in financial circumstances during the term of the award, the recipient must let NC LEAF know immediately; NC LEAF will then determine whether the recipient maintains eligibility for ongoing loan repayment assistance.