

# Texas Student Loan Repayment Assistance Program

Administered by:



## **Program Guidelines**

The Texas Student Loan Repayment Assistance Program (SLRAP) is currently funded by the State Bar of Texas and administered by the Texas Access to Justice Foundation (TAJF). The SLRAP was created by the Texas Access to Justice Commission (TATJC) in 2003 to encourage and enable recent law school graduates to work for Texas legal aid organizations and to assist legal aid programs in retaining experienced lawyers.

### **Recipients**

Attorneys are eligible for loan repayment assistance through this Program if they work full-time for a qualifying employer. A qualifying employer is a nonprofit organization that principally provides free civil legal assistance to low-income individuals in Texas and that receives funding, directly or indirectly, from TAJF. Click here for the [list](#).

### Specific Recipient Criteria:

To be eligible for consideration for the Program, the Applicant must meet the following requirements:

1. Submit by the deadline the application form and supporting materials as requested by the Texas Access to Justice Foundation.
2. Those individuals who are eligible for loan repayment funds from other sources (i.e. governmental programs, employers, Equal Justice Works fellowships, law school programs, etc.) must apply to those programs for assistance. Other than employers and law schools participating in TAJF's SLRAP Matching Program, all sources are payors of first resort. Repayment provided by other sources will offset the amount of loan repayment provided by this Program. TAJF grantee employers and law schools participating in the TAJF SLRAP Matching Program are not considered payors of first resort. Law schools participating in the TAJF SLRAP Matching Program will provide a dollar for dollar match of the amount paid by TAJF, annually.
3. Applicant must document full-time employment with a qualifying employer. Full-time is defined as 35 hours or more per week. The requirement for full-time employment may be waived if the recipient was employed full-time when initially approved for the LRAP and was later reduced to part-time status by the employer due to budgetary cut-backs. In certain circumstances, it is beneficial and necessary for an employee to reduce to part-time status. In those instances, TAJF will decide on a case-by-case basis whether the LRAP benefit can be maintained at a pro-rated level.

4. Applicant must be a graduate of an ABA-accredited law school.
5. Applicant's eligibility will terminate ten years from the date Applicant becomes licensed to practice law under 6.a. or 6.b. below.
6. Applicant must be:
  - a. licensed to practice law in Texas and be a member in good standing of the State Bar of Texas (SBOT) prior to receiving his or her first SLRAP loan payment and at all times during the SLRAP payment period, or
  - b. licensed to practice law in a state or territory of the United States, be in good standing in the jurisdiction where licensed, and be employed as an immigration attorney by a TAJF-funded immigration legal services program in Texas prior to receiving his or her first SLRAP loan payment and at all times during the SLRAP payment period.
    - i. If a recipient qualifies for the SLRAP under 5(b), and during the loan period becomes licensed to practice law in Texas, and subsequently changes employment to a qualifying non-immigration program, the recipient will be presumed to have qualified for the SLRAP under 5(a).
7. Applicant's salary must not exceed \$80,000, annually, to maintain Texas SLRAP eligibility. .

### **Application Procedures**

**Current recipients shall submit a completed online SLRAP application by the date specified by TAJF. The plan year or award year is June 1st to May 31st. Employees hired on or after June 1st shall submit a completed online application by the fifteenth day of the month before the beginning of a calendar quarter (August 15th, November 15th, February 15th).**

**The Foundation will notify the employer of the applicants' approval, and will send the promissory note and other information to the participant.**

**All current recipients must submit requalifying documentation each year by April 15<sup>th</sup>.**

### **Renewal of Benefits**

In subsequent years after 2020-2021, SLRAP recipients must complete an abbreviated renewal application. In order to be considered for renewal benefits in a subsequent grant cycle, recipients must submit verification documents for employment, income, loan debt, and signed SLRAP Guidelines each year.

### **Loan Structure**

The recipients receive forgivable loans rather than grants. The SLRAP loan recipients shall apply an amount at least equal to SLRAP loans to repay their existing educational loans.

### **Administration**

The SLRAP loan funds will be administered through the TAJF or its designee. The funds contributed by the State Bar of Texas will be donor-advised.

## **Educational Debt**

Applicant's undergraduate and law school debt, and debt incurred in joint degree programs, where one degree is a juris doctor, may be covered due to the difficulty in tracking law school-only loans within currently consolidated loans. All institutional loans used for educational expenses may be covered under this Program. Loans from family and other private sources are not eligible.

Applicants must submit documentation verifying educational loan debt and repayment schedules to TAJF. An applicant who is in default, forbearance, and/or deferment on a loan is eligible to apply for SLRAP assistance, but Applicant must remedy the default and/or remove the forbearance and/or deferment prior to receiving any SLRAP payment.

Applicants are required to provide the original principal amount for each federal loan (Stafford, SLS, Perkins, etc.) and, for unsubsidized loans, the principal amount plus the capitalized or accrued interest at the time of graduation. Additionally, applicants are required to provide current balance(s) and current monthly payment(s) to TAJF since SLRAP payments should never exceed actual monthly amounts that are due and payable to qualifying lenders.

If a loan check exceeds amounts that are due and payable and they are not returned, the resulting overpayment must be repaid within the period of the existing loan repayment promissory note at a minimum rate of 20% of the overpayment per month. If the overpayment cannot be fully repaid during the term of the promissory note at the minimum rate, then the rate will be adjusted accordingly.

Applicant's calculated educational debt will be used in calculating rankings of the candidates. In this calculation, any grace period being extended by a lender will be ignored. Grace periods may, however, affect the actual awards made, in that award amounts will never exceed actual payments made.

## **Rank-order of Need**

Should available funding be an issue, applicants will be rank-ordered by TAJF, from highest need to lowest need, based on the calculated student debt-to-income ratio, which means the applicant's student loan debt divided by Applicant's salary.

## **Secondary Selection Criteria**

The Program strives to assist legal aid programs in hiring in rural areas. To this end, when awarding SLRAP loans when a new hired otherwise eligible applicant locates in an underserved rural office as determined by TAJF, applicant may receive an additional loan amount up to \$2,400 per SLRAP year.

## **Selection of SLRAP Recipients**

Selection of recipients will be made by the Texas Access to Justice Foundation according to the above stated criteria. The TAJF Board of Directors reserves the right to adjust the amount of loan repayment given in response to the availability of resources in any given year.

## **Notification of Assistance**

Applicants who are selected as SLRAP recipients will be mailed promissory notes with their award notices. The promissory note must be signed and returned. Promissory notes not signed and returned in a timely manner may result in forfeiture of the SLRAP loan award.

## Payments

Loan repayment benefits will not begin until receipt by TAJF of the signed promissory note. Payment is made as a *loan* to recipients for repayment of their educational loan debt payments. Checks will be issued in the name of the recipients and mailed to each recipient's work address. Recipients are responsible for making timely payments to their educational lenders. SLRAP payments will, in no instances, exceed the amount that is due and payable on the loans in any quarter (i.e. forbearance, grace periods, etc.). Quarterly payments are contingent upon the SLRAP recipient completing the required LRAP Quarterly Certification form, found in [WebGrants](#). Additionally, should TAJF in its administration of the Texas SLRAP request proof, as provided for in the promissory note, of actual payments made during the quarter, the recipient/borrower shall provide that documentation before the next quarterly payment will issue.

Throughout the year, TAJF will verify applicants' ongoing eligibility. SLRAP loan recipients must provide appropriate signed releases to facilitate eligibility determinations to the SLRAP to maintain eligibility, including providing the SLRAP with pin numbers and passwords for student loan lenders so that SLRAP staff may access recipient's loan payment history online, if such information is available in this format, to verify that loans are current.

The SLRAP loans are made to the recipients at no interest. Recipients must continue in their employment for the term of the most recent payment to meet the objectives of the Program and have their SLRAP loans forgiven. Recipients who do not continue eligibility will be expected to repay the SLRAP loans they have received that remain to be forgiven. Repayment schedules will be arranged with the SLRAP Administrator. The payment schedule is based on the fiscal year from June 1 through May 31. Payments are made quarterly beginning in June.

## Disclosure and Confidentiality Statement

Certain information in TAJF's possession must be available for dissemination after a student loan is awarded. This information includes the names of applicants, the amounts, types and general terms of loan requested; description of projects and legal aid programs where applicant will be employed; the amount of student loan debt of and the salary to be paid to the loan recipient, and the names of the financial institutions where loans are held.

Certain records of the TAJF are designated confidential and will not be available for dissemination to any group for inspection. This includes the disclosure of records which would constitute an invasion of an individual's privacy, such as personal tax returns or financial statements, assessments of creditworthiness or financial condition, records obtained by the TAJF in connection with loan repayment oversight.

If a loan recipient desires certain information remain confidential, the applicant must clearly identify what information or documents it wishes to remain confidential. The applicant may also be required to explain, in writing, the basis for such a request. Loan Recipients may wish to consult their attorney as to the scope of public disclosure and confidentiality as it relates to the Texas Student Loan Repayment Assistance Program.

## Taxability

The Taxpayer Relief Act of 1997<sup>1</sup> permitted qualified organizations to develop loan repayment programs so that loan forgiveness based on public service employment is not considered taxable income to the recipient in certain circumstances.<sup>2</sup> Under 26 USC 108(f), as amended by the Taxpayer Relief Act of 1997, student loans canceled after August 5, 1997 in exchange for public service employment generally do not cause the borrower to have taxable income, provided certain requirements are met.<sup>3</sup>

Programs providing loan repayment assistance must issue loans via an educational institution, a tax-exempt organization or the government. 26 USC 108(f)(2). Recipients cannot be employed by the organization administering the loans.

The SLRAP has attempted to provide maximum potential tax benefits to its recipients. However, each individual recipient remains responsible for any positions taken on his/her own income tax returns. The SLRAP does not give recipients tax advice. Recipients are encouraged to seek legal advice for their tax questions.

### **Use of Funds**

SLRAP recipients must use all funds provided toward the repayment of educational loans. SLRAP recipients will be removed from the Program if funds are not forwarded to their lenders in a timely fashion.

### **Eligibility Changes**

If a SLRAP recipient changes employment to another qualifying employer during an SLRAP cycle, the recipient's SLRAP eligibility will continue, as long as there is no significant gap in employment. Such a change in employment status must be reported to the Foundation before the SLRAP recipient leaves the first employer. If a significant gap between qualifying employment occurs, eligibility will lapse and the former recipient may reapply at the next available opportunity. The recipient's continuing eligibility will be determined by the SLRAP Administrator.

SLRAP recipients must notify the SLRAP Administrator of any salary increase during an award cycle. The recipient's eligibility will be reviewed by the SLRAP Administrator and the recipient will be notified if the recipient's eligibility status has changed.

SLRAP recipients will be removed from the SLRAP if found to be delinquent or in default on any educational loans during any quarter in which they receive SLRAP assistance.

### **Leave of Absence**

In the case of parental or disability leave from a qualifying agency, an SLRAP recipient may apply for a leave of absence loan equaling one quarter of their annual grant from SLRAP. The duration of a leave of absence may be up to three months. At the end of the three months, if the SLRAP loan recipient returns full-time to their employment, the loan maintains its forgivable status. If the recipient does not return to his/her prior employment, s/he will be terminated from the SLRAP and the money received during the leave of absence period must be repaid on a schedule to be worked out with the SLRAP Administrator. Leaves for other than parental or

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<sup>1</sup> Pub.L. 105-34 (1997).

<sup>2</sup> 26 U.S.C. 108 (f).

<sup>3</sup> Id.

disability needs will be decided on a case-by-case basis upon recommendation of the SLRAP Administrator.

**Additional Information**

Recipients may be asked for additional information as needed.

**Substantial Change in Circumstance Review**

Disputes concerning any decision made by the SLRAP Administrator concerning a recipient’s eligibility or required repayments may be reviewed by TAJF Board of Directors upon written request of an applicant or SLRAP recipient.

**Application Procedures**

Applicants must submit a Texas SLRAP Application. A completed application, including current Employment Certification Form(s), Lender Certification Form(s), Law School Certification Form (if first time applicant), Résumé, tax return (year prior to the current year), signed copy of these Guidelines, and other signed attachments that may be required by the Texas Access to Justice Foundation must be completed by the posted deadline. TAJF may not consider incomplete or late applications.



I, \_\_\_\_\_, acknowledge that I have read the foregoing Program Guidelines and agree that any assistance that I receive from the Texas SLRAP is subject to, and governed by, these Guidelines. I understand that these Guidelines may be modified in the future, and that if they are, I will be asked to acknowledge the existence of such modified Program Guidelines and that my receipt of further assistance from Texas SLRAP will be subject to, and governed by, such modified Program Guidelines to the extent they conflict with the foregoing Program Guidelines.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

***ALL PAYMENTS PURSUANT TO THE TEXAS SLRAP ARE CONTINGENT ON THE AVAILABILITY OF SUFFICIENT FUNDING.***