

Texas Student Loan Repayment Assistance Program (SLRAP)

The Texas Access to Justice Foundation (TAJF) administers the Texas Student Loan Repayment Assistance Program (SLRAP) with funding from the State Bar of Texas (SBOT), TAJF, and individual donors. The SLRAP was created 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.

Who is eligible for the Texas SLRAP?

Attorneys who:

- Work full-time for any Texas legal aid program that currently receives a grant from the Texas Access to Justice Foundation (TAJF).
- Have been licensed to practice law fewer than 10 years.

What if my loans are NOT currently in repayment?

An applicant who has one or more loans in default/forbearance/deferment/grace is eligible to apply for the Texas SLRAP, but will receive no payment until each and every loan is in repayment. For a smooth application process, bring ALL loans into repayment before applying for the Texas SLRAP.

Do you collect household income information?

Currently, the Texas SLRAP does not collect household income information. However, there is a strict salary cap of \$80,000 for the applicant/recipient. Should available funding for the SLRAP fall below application requests, we reserve the right to reinstitute the collection of household information in order to fairly distribute available funds.

How large are the loans?

The yearly maximum is \$6,000. Individual LRAP loan amounts are up to \$500 per month but will not exceed the total lender required monthly payments that are due and payable on all loans.

How are the loans forgiven?

Awards are for 12 months. Each loan will be forgiven at the end of the 12-month period, if the recipient maintained eligibility. If the recipient fails to maintain eligibility for any period of the loan, s/he/they will return that portion which represents payment for a period of ineligibility.

When are applications due?

The due dates are contained in the funding opportunities. There is an annual application period in March and a quarterly application in August, November, and February. Application periods are approximately 30 days in duration.

Are other loan repayment funds available?

The Guidelines require you to apply to all LRAP programs for which you might be eligible. Not filing a timely application for another LRAP for which you may be eligible may create a delay in eligibility for the Texas SLRAP. Check with your law school to see if it has a program for which you qualify. Also check to see whether you qualify for assistance under federal loan repayment

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programs. More information on law school and other LRAP programs can be found at: [American Bar Association, LRAP](#). TAJF is a payor of last resort so any assistance received from other sources will be used to offset the amount of monthly loan repayment provided by the Texas SLRAP. It is your responsibility to identify and apply to other LRAP programs for which you are eligible.

You need to find out whether your law school has such a program and if so, submit a timely application. TAJF will calculate your loan based on your total eligible debt service. If the total debt service is \$600 per month on your law school loans and you receive an LRAP from your law school that is equal to \$300 per month, you would be eligible for a Texas SLRAP loan of no more than \$300 per month – the amount owed after deducting the law school LRAP. TAJF works with LRAP program participants after an award decision is made to determine final award amounts. It is your job, however, to find out what LRAP programs you might be eligible for and to apply for them. In addition to checking with your school, we recommend that you check [Student Debt Resources](#) as one source for this information. TAJF reserves the right to reduce awards of any applicant who fails to apply for an LRAP for which s/he/they may be eligible.

How do I know if an employer is “qualified” under the guidelines?

Ask your employer if the organization receives grant funds from the Texas Access to Justice Foundation, or go here for the [list](#).

What if I move to the county attorney’s office or another governmental legal services position?

You will lose eligibility for continued payments, and future loans. To get the full benefit of the Texas SLRAP, you need to keep working at a qualified legal services organization in Texas providing legal services for poor and underserved people for the full loan year.

What about a break in service if I move from one eligible employer to another? Will I lose eligibility for loan repayment for that period?

It is likely that a reasonable break in service as you move from one employer to another will not be a problem. It is important for applicants to advise the TAJF staff listed below about any changes in status. TAJF has the discretion to make that determination. Let us know right away, so there won’t be any problems.

Will I still be eligible under the program if I take leave from my job?

That depends. You need to tell us if your work status changes, whether you are shifting to part-time or taking leave for any reason.

Additionally, there are circumstances when employees wish to remain employed in legal aid but have family demands (birth of a child and care for an ailing parent are two examples but there may be others) that make full-time employment untenable. TAJF, **on a case-by-case basis and within TAJF’s discretion**, may consider applicants employed part-time if unusual circumstances exist and applicants meet all other eligibility requirements. If such unusual circumstances exist, the part-time employment must meet the following conditions:

- It must be the exclusive employment of the individual
- It must be a minimum of 20 hours per week

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- It must be with an eligible employer

If approval is granted, income eligibility is determined by computing the full-time equivalent annual salary and then prorating the resulting award amount by the percentage of full-time which the applicant is employed. Full-time is considered 40 hours per week for computing the pro rata award amount.

Example

A part-time applicant employed exclusively by a non-profit employer for 20 hours per week is approved for participation based on special circumstances. Twenty (20) hours represents 50% of full-time employment and individual would qualify for 50% coverage.

If the applicant's student loan payments totaled the TAJF allowable maximum at \$500/month, 50% coverage would be \$250. The applicant would receive \$3,000 for the year.

However, if the applicant went back to full-time employment of 35 hours or more, the LRAP payment would increase to 100%.

How much money can I get in LRAP loans?

It depends! The program is designed to pay up to \$500 per participant per month, for eligible loans for up to ten (10) years. However, the amount paid for each month will not exceed the amount that is due and payable on all student loans for the period.

How is the monthly loan repayment amount figured? For example, I have consolidated my loans, and I'm on a 20-year repayment schedule now, so my monthly amount is only \$250. Is that the amount that the LRAP would cover or is there a possibility of it covering more than my current monthly payment?

The LRAP program covers only the required monthly payment. Your lender must tell us what your monthly debt service actually is, and you need to set that amount based on your personal financial circumstances. We will not provide funds in excess of the amount you are required by your lender to pay each month. It is up to each applicant/participant to decide how to manage their loans. Thus, if you pay \$250 per month on law school loans, you are eligible for up to \$250 per month from the LRAP. Note that family and private loans are not 'eligible' debt – so the applicant's eligible debt load could not be increased by including those amounts.

Last year I received a lump sum payment which I used to prepay my lender. However, although I continue to make monthly payments, my loan statement indicates that I do not owe monthly payments for part of the year for which I am seeking LRAP assistance. Can I still receive assistance for the entire year?

We will not provide assistance during any period in which an amount is not due on any one of the loans. We recommend that if you find yourself with lump sums to apply to your loans, you should ask your lender to apply such sums to the loan principal.

How do I handle consolidated loans on the application?

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



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How do I verify that I have paid my student loans?

You will complete the integrated form titled, *LRAP Quarterly Certification*, found in the status report component of your current SLRAP award to certify payments made during the three months prior. TAJF can still in the exercise of due diligence request payment proof in a given instance and, consequently, will maintain the authority to do so provided in the promissory note and the Texas SLRAP Guidelines.

How will the loan proceeds be disbursed?

At the beginning of each quarter (June through August being the first), a check for the coming quarter will be made payable to the SLRAP recipients, and mailed to the employment address provided in the application. The Texas SLRAP recipient must make timely loan payments for the entire period covered by the payment.

What if I choose to use the proceeds to meet another financial obligation?

It is your responsibility to ensure that funds you need to repay your loans are **not** diverted to other purposes, leaving you without the means to stay current on your debt service. Failure to make timely payments will result in suspension or termination of the LRAP benefit and a demand for repayment of diverted funds.

Are the funds that I get under the LRAP taxable income?

The Texas SLRAP was designed to fit within existing rules that would make forgiveness of LRAP loans not taxable as income. You should seek advice from a tax professional on this issue, as the Foundation is not in a position to provide advice on tax issues.

Where can I get more information on the Texas SLRAP?

You will find the current guidelines for the program, the eligible employer list as well as information about the application process at [Texas SLRAP](#). It is your obligation to read the Guidelines carefully – they will answer most of your questions. Please direct any questions to Gina Richardson at grichardson@teajf.org or by phone at 512-320-0099, ext. 101, or Lisa Melton, Special Projects Manager, at ldmelton@teajf.org or by phone at 512.320.0099, ext. 330.