



MARQUETTE
UNIVERSITY

LAW SCHOOL

**THE HOWARD AND PHYLLIS EISENBERG FUND:
LOAN REPAYMENT ASSISTANCE PROGRAM**

(LRAP)

Information and Application Forms

2009 - 2010

THE HOWARD & PHYLLIS EISENBERG FUND

The legacy of the late Dean Howard B. Eisenberg is important to the future of Marquette University Law School. This is true in the general sense that Dean Eisenberg worked tirelessly to inculcate in students a sense of the important public interest that lawyers serve. It is true as well in the more specific sense that the Howard and Phyllis Eisenberg Fund is a way of ensuring that today's students have the means of acting on these ideals of the profession by undertaking public interest work.

The Howard and Phyllis Eisenberg Fund is an endowed fund held by Marquette University that provides income each year for the purpose of law school loan repayment assistance. Dean Eisenberg himself established the Loan Repayment Assistance Program in the spring of 2001. After his death, the program was renamed to serve as a lasting memorial to him and was enhanced through memorial contributions and other donations.

THE PROGRAM

Every year, a number of Marquette University Law School graduates dream of a career in public service. But these new lawyers face a substantial challenge. Jobs in public interest law, particularly those providing civil legal assistance to indigent populations, often pay far less than the median starting wage in other sectors of the legal market. Thus, it is difficult for new law graduates with substantial student loan debt to take public interest jobs that would enable them to pursue their dream. The Law School recognizes that the legal community has a responsibility to help provide services to people who cannot afford representation. This program has been adopted in the hope that it may remove an obstacle to graduates interested in choosing a career serving the poor and underserved. According to a 2002 joint report by Equal Justice Works, the National Association for Law Placement and Partnership for Public Service, "survey results

suggest that some of the best solutions to the educational debt crisis are loan repayment assistance programs (LRAPs)” Under the Howard and Phyllis Eisenberg Loan Repayment Assistance Program (LRAP), participating graduates receive a forgivable loan to pay a portion of their monthly loan payment.

SUMMARY

What is the Loan Repayment Assistance Program?

- The Loan Repayment Assistance Program provides direct financial assistance to qualifying Marquette University Law School graduates who enter public interest careers by issuing a forgivable loan to offset ongoing student loan payments. A committee appointed by the Dean administers the program.

What is the Value of LRAP?

- The average starting salary for a Marquette graduate practicing in the public interest sector was \$42,644. The median starting salary of a Marquette University Law School graduate in 2006 was \$52,000 while the average debt was \$88,202. Each year the Eisenberg LRAP Fund provides almost \$25,000 to help relieve this debt burden.

Who qualifies?

- Marquette University Law School graduates of May 2002 or later may qualify if they meet requirements for “qualifying employment” and “qualifying income.”

Qualifying Employment. Marquette University Law School graduates must work full-time (at least 32 hours per week) for a public interest or public service employer,

including government service, and engage in the practice of law or substantive law-related activities.

Qualifying income. A graduate may earn no more than the median gross income of the past year's graduating class, with modifications as explained below.

How much does LRAP pay?

The Loan Repayment Assistance Program provides a forgivable loan equal to fifteen percent of the difference between the past year's MULS graduating class' median starting salary and the gross income of the applicant as adjusted in accordance with these policies and the applicant's financial circumstances, not to exceed the total of loan payments the applicant actually makes during that year. Of course, the amount of funds available for LRAP may not equal the needs of all qualifying applicants, and in all events the Law School has discretion to determine the recipients of funding and the funding levels.

APPLICATION INFORMATION

Program Administration

The Loan Repayment Assistance Program (“LRAP”) is administered by the LRAP Oversight Committee (the “Committee”), a committee appointed by the Dean of the Marquette University Law School and consisting of the Dean or his/her delegate (the Assistant Dean for Public Service), two faculty members, two students, and two alumni (at least one of whom is a public interest lawyer). The Committee’s responsibilities include but are not limited to:

- Interpreting and promulgating LRAP rules and regulations;
- Notifying all LRAP participants of LRAP requirements once the application is complete;
- Reporting annually to the Law School community on the progress of LRAP, on any eligibility changes, and on the financial condition of LRAP;
- Considering any special requests for exceptions to existing LRAP eligibility provisions; and
- Reviewing and adjusting annually the various schedules contained in this document in consideration of prevailing economic conditions.

In addition, the Committee meets separately without its two student members for the purpose of recommending to the Dean the student(s) who will receive funds through LRAP. The student members do not participate in either the deliberation or determination of those who are recommended as recipients of LRAP funds. After reviewing the committee’s recommendation, the Dean shall have final authority to determine awards.

Application Deadlines

Graduates must apply for loan repayment assistance within five (5) years following graduation. Time served in judicial clerkships, or as a volunteer with an agency which tolls the period for repayment under federal loan regulations, tolls the running of this time period. Loan repayment assistance will not be retroactive. Applicants must not be delinquent or in default on educational loans at the time of application.

Timing of Awards & Duration of Eligibility

Forgivable LRAP loan awards are made twice each year, in June and December. To begin receiving payments in June, applications must be received no later than April 15. To begin receiving payments in December, applications must be received no later than October 15. Applications received after these dates will be delayed until the next payment cycle.

Participants receive benefits for no more than ten (10) years of qualifying employment. Participants are responsible for repaying any student loan debt still outstanding after their eligibility period has expired.

What is Qualifying Employment?

Qualifying employment includes work for public interest law firms, non-profit organizations that qualify for tax exemption under IRS Code Sections 501(c)(3), prosecutor or public defender offices, military judge advocate general, and governmental offices that directly serve individuals with challenges to access to justice. The position must be one that requires a Juris Doctorate degree and admission to the bar. The Committee may consider employment that satisfies the purposes of the LRAP but are not 501(c)(3) nonprofit or governmental organizations. Employers who have as their primary goal service to the traditionally underserved, who can demonstrate that their practice primarily serves the poor and near poor, and who qualify under section 108(f) of the Internal Revenue Code may apply to the program to have their practice deemed “qualifying employment.”

Income Requirements

Applicants must report income from all sources including salary, interest, alimony, child support, spousal/domestic partner support, or any other source. The Committee reserves the right to deny eligibility in any individual case if projected income does not appear to reflect an applicant’s true financial need. In the event of insufficient funding, applicants with the greatest need, lowest income, and a demonstrated commitment to public interest work will be funded first. The size of the overall debt is not dispositive, however, and the Committee will consider whether the debt accumulated during law school was reasonable under the circumstances.

Spouse or Domestic Partner

- Married graduates or those with a domestic partner (if residing in a state or local jurisdiction which gives legal recognition to domestic partners) are treated as having the higher of (a) his/her income, or (b) half the joint income if the spouse or domestic partner has a higher income than the graduate.

Example 1: Graduate makes \$47,000 annually and spouse/domestic partner makes \$30,000. The imputed income is \$47,000.

Example 2: Graduate makes \$40,000 annually and spouse/domestic partner makes \$47,000. The imputed income is $(\$40,000 + 47,000) / 2 = \$43,500$.

Dependent Children

- If a graduate has one dependent child whom s/he supports and declares on his/her tax return, the Committee will subtract the application year's federally allowable dependent deduction from the allowable gross annual income. The Committee will subtract 1/2 of the federally allowable deduction for each additional dependent child the graduate supports and declares on his/her tax return, up to and including 5 children.

Assets

- The Committee will add to the allowable gross annual income twelve percent (12%) of the value of a graduate’s and a graduate’s spouse’s/domestic partner’s combined

assets over \$15,000. Assets include equity in a house, other real estate and investment equity, cash, savings and checking accounts, stocks, bonds, and trusts, minus commercial and mortgage debts. If the equity in all assets minus allowable debts totals more than \$15,000, twelve percent (12%) of the amount over \$15,000 will be added to the adjusted gross annual income.

Eligible Loans

Short-term emergency loans awarded by the Marquette University Law School while enrolled at the school are specifically excluded from the LRAP program. Payment on any other outstanding need-based institutional loan incurred *while enrolled at Marquette University Law School* is considered:

- Stafford and Perkins subsidized and unsubsidized loans borrowed to attend Marquette University Law School are included.
- Perkins or National Defense Student Loans borrowed to attend Marquette University Law School are included.
- Loans from the Law School or from an external lender are included.
- Bar-related loans are excluded.
- Loans to attend an institution other than Marquette University Law School are not included, except for any direct cooperative study program, which is included.

Leaves of Absence

A participant in the LRAP is allowed to take a leave of absence from the program for up to one year for such purposes as pregnancy, family leave, care of small children, illness, disability, relocation, and other appropriate reasons as approved by the LRAP Oversight Committee. During this period the graduate is not eligible for new LRAP assistance or forgiveness of any previous loans, but repayment of LRAP loans is not necessary. If the participant does not return to the program within one year, LRAP loans become payable to the extent not forgiven.

Benefits

Participants receive assistance in the form of a loan that is forgiven at the end of the year in which the loan is made as long as the participant remains in qualifying employment. On Friday, June 20, 2008, the Internal Revenue Service ruled that amounts forgiven under a law schools' Loan Repayment Assistance Programs (LRAP) including Marquette's generally will not be treated as taxable income. Section 108(f) of the Internal Revenue Code details the requirements for tax-free forgiveness. However, **participants are urged to consult a tax advisor about their awarded amount.** LRAP participants are issued two (2) checks per year, in June and December, each for one-half of the award amount. Participants are required to execute a promissory note prior to disbursement of the loan amount.

Participation in LRAP is on a year-to-year basis only. Once a graduate is admitted to the program, it is his/her responsibility to reapply each year for continued assistance and to certify at the end of every year that he/she has applied the LRAP loan to educational loan payments and

has served the entire year in qualifying employment. At the end of each year for which a loan is granted, the participant is required to complete and submit to the Law School a Certificate of Compliance, certifying that the loan amount has been applied to student loan payments and that they have continued during that year in qualifying employment.

Changes in Graduate's Financial Condition

The amounts for which participants are eligible are based upon participant annual gross income and monthly loan payments on covered loans. If either of these figures changes, LRAP eligibility can be affected. Any changes in income or loan payments must be communicated to the Committee *immediately* or risk suspension from LRAP.

Termination of Participants for Cause

If upon verification the Committee determines that a participant has not used the LRAP proceeds for payment of educational loans, the Committee will terminate the recipient's participation in LRAP and will seek repayment of the loan already made.

Repayment of LRAP Loans

During each year of participation in LRAP, the participant will receive a loan for the amount for which s/he is eligible under LRAP regulations. Ordinarily, this loan is forgiven at the end of the eligibility year as long as the participant remains in qualifying employment. However, eligibility can be reduced at any time due to financial or employment changes. In such cases, if the participant does not refund excess money received, the amount of the over award will not be forgiven at the end of the year, and the participant will be obligated to repay that LRAP loan amount with interest within six (6) months thereafter.

Initial Application Procedure

Applications should be submitted as soon as an applicant becomes eligible. The application must be supported by each of the following:

- federal tax return of applicant and spouse or domestic partner for the prior year, including W-2 statements;
- statement describing any facts that would cause the applicant and/or spouse's or domestic partner's adjusted gross income to differ by more than ten percent (10%) from the figure shown on the most recent tax return;
- employment certification form from the applicant's employer (see attached);
- lender certification form (see attached) for each of the applicant's covered loans; and
- list of assets.

If the applicant did not and was not required to file a tax return for the prior year, s/he must attach a separate sheet with the following statement:

“I hereby declare that by federal law I am not required to file, and did not file, a federal income tax return for the 20__ tax year and therefore cannot supply a copy to the Law School LRAP Oversight Committee as required.”

This statement must be signed and dated.

Note: Lenders often take a long time to complete and mail the lender certification form, so applicants should mail the form to their lender as soon as possible.

Subsequent Application Procedure

Participation in LRAP will be on a year-to-year basis only. Once a graduate is admitted to the program, it is his/her responsibility to reapply each year for continued assistance. Each year, at least one month prior to the end of the award year, the participant must submit the following information:

- Federal tax return of participant and spouse or domestic partner for the prior year;
- Statement of anticipated income from all sources and, if applicable, a statement describing any facts that would cause the participant and/or spouse's or domestic partner's adjusted gross income to differ by more than ten percent (10%) from the figure shown on the most recent tax return;
- Employment certification form;
- List of assets.
- Certification of Compliance (see attached)

This information will be used to verify income projections reported for participation the previous year. Appropriate adjustments will be made if the information provided differs substantially from initial projections.

Disclaimer

By implementing this program, Marquette University Law School makes no guarantees as to the future funding or permanent existence of this program. The Law School reserves the right to terminate or modify the program or any of its provisions at any time. Benefits will be paid only to the extent that funds are available and the program continues to exist.

**MARQUETTE UNIVERSITY LAW SCHOOL
LOAN REPAYMENT ASSISTANCE PROGRAM**

Application for 2009-2010

A. Applicant Data

Applicant Name: _____ Marital Status: _____
 Date of Birth: _____ Name and ages of dependent children under the age of 21: _____
 Home Address: _____
 Telephone: () _____
 Email address: _____ Law School Graduation Date: _____

B. Applicant Employment Data

Name of Employer: _____
 Address: _____
 Telephone: () _____
 Position/Job Title: _____
 Starting Date of Employment: _____
 Current Annual Gross Income: _____

Employment Data for Spouse or Domestic Partner (DP)

Name of Employer: _____
 Address: _____
 Telephone: () _____
 Position/Job Title: _____
 Starting Date of Employment: _____
 Current Annual Gross Income: _____

Does your job require a Juris Doctorate degree?: Y N

PROJECTED GROSS HOUSEHOLD INCOME (MONTHLY):

Employment 1:	\$ _____	Social Security:	\$ _____
Employment 2:	\$ _____	SSI/SSDI:	\$ _____
Employment (sps/DP):	\$ _____	W-2:	\$ _____
Employment 2(sp/DP):	\$ _____	Unemployment:	\$ _____
Interest/Dividend:	\$ _____	Other (_____):	\$ _____
Child Support/Main.:	\$ _____	TOTAL (All sources) :	\$ _____

ASSET INFORMATION

The Marquette University Law School's Loan Repayment Assistance Program anticipates that applicants will make contributions from current assets to retire their educational debt. The first \$15,000 of an applicant and spouse/domestic partner's total net worth is protected. (Net worth is defined as liquid assets, home and other real estate, and employer paid benefits such as the cash value of life insurance and 75% of retirement plans owned by the applicant.) We will expect assets above \$15,000 to be used toward repayment of your covered loans.

Amount of cash or savings owned by graduate (and spouse/domestic partner): \$_____

Amount home is worth now: \$_____ Amount still owed on it: \$_____
(Renters write in \$0)

Other investments and real estate (include any stocks you own): \$_____
Amount owed: \$_____

Value of employer paid long-term benefits:

	Type	Applicant:	Spouse/Domestic Partner
Retirement ¹ :	_____	\$_____	\$_____
Cash Value of Life Insurance ² :	_____	\$_____	\$_____
Other:	_____	\$_____	\$_____

Indebtedness Information

Provide information and appropriate documentation regarding you or your spouse/domestic partner's commercial or consumer debts other than mortgage debt if you reported \$15,000 or more in assets and benefits above.

Total Debt

Name of Lender	Principal	Interest	Total Amount Due
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¹ Please note entire value of your retirement fund, and we will adjust the value for any penalty.

² To determine the cash value of your life insurance policy (if any), please contact your life insurance provider.

APPLICANT EDUCATIONAL DEBT

UNDERGRADUATE	Name of Lender	Total Debt	Repayment per month
College Loans	_____	_____	_____
NDSL/Perkins	_____	_____	_____
GSL/Stafford	_____	_____	_____
ALAS/SLS	_____	_____	_____
LAW SCHOOL			
Law School Loan	_____	_____	_____
NDSL/Perkins	_____	_____	_____
Subsidized Stafford	_____	_____	_____
Unsubsidized Stafford	_____	_____	_____
LAL or LSL/Private Loan	_____	_____	_____

Please provide the names, addresses and relationships of two persons, one a parent or other relative, who would always know your address (neither address should duplicate your permanent address):

Name	Relationship	Address
1. _____	_____	_____
Telephone: () _____		_____
2. _____	_____	_____
Telephone: () _____		_____

At present, our assistance will be limited to forgiving portions of outstanding Marquette University Law School loans.

Income Tax Information

ATTACH A COPY OF YOUR 2008 TAX RETURN AND YOUR SPOUSE OR DOMESTIC PARTNER'S TAX RETURN OR SUBMIT AN AFFIDAVIT OF NON-FILING**

** You may submit this application, upon receipt, and then send us your tax return later, upon completion.

EMPLOYER CERTIFICATION FORM

Part A: to be completed by the applicant

Name: _____ Social Security #: _____

I authorize my employer at _____ to provide the information requested in Part B to the Marquette University Law School.

Applicant's Signature

Date

Part B: to be completed by the employer.

Dear Sir or Madam:

_____ has applied to a special Loan Repayment Assistance Program at Marquette University Law School. Part of the application process requires certification from the employer of the applicant's employment status. Please complete the following information and return it to our office as soon as possible, but no later than _____. If you have any questions, please do not hesitate to contact our office at the above address and phone number.

Date of employment: _____

Percentage Employment (i.e., full-time, 1/2 time, etc.): _____

Annual Gross Salary: _____

Applicant's title or job description: _____

Authorized Signature

Name (printed) and Title

Date

Name of Employer

Address

Telephone #

LENDER CERTIFICATION FORM

INSTRUCTIONS: Please complete Part A of this loan information request form and forward the form to the holder of **each** of your educational loans incurred at Marquette University Law School.

Part A: To be completed by the applicant.

Name: _____ Social Security #: _____

I authorize the lender at _____ to provide the information requested in Section B to Marquette University Law School.

Applicant's Signature

Date

Part B: To be completed by the lender.

Dear Sir or Madam:

The individual listed above has applied for a special loan forgiveness program, which requires information regarding any loans the applicant has borrowed from you. Please complete the required information and return it to our office at the above address as soon as possible, but no later than _____. Thank you for your help.

Type of Loan	Amount Borrowed	Amount Outstanding	Monthly Payment	Date First Payment Due	Last Payment Received	Interest Rate	Repayment Period

Is the applicant delinquent or in default? _____ How many days? _____

Are the applicant's loans in deferment or forbearance? _____ Until when? _____

Comments: _____

Authorized Signature

Name (printed) and Title

Name of Lender

Date

Address

Telephone #

CERTIFICATION

All information I have submitted in connection with my application for the Marquette University Loan Repayment Assistance Program (LRAP) has been completed accurately to the best of my knowledge. By signing this form I agree to promptly report any changes in my employment status or salary, or my spouse or domestic partner's salary, as well as the receipt of any income not anticipated on my LRAP application. I further agree that any funds I may receive from the LRAP program will be used solely for the purpose of repaying my student loans, specifically those loans which are being allowed by the LRAP program. I further agree to furnish the LRAP program each year with a copy of my Federal Income Tax Return, shortly following filing with the Internal Revenue Service.

Applicant Signature

Printed Name

Date

Include with Application

1. Marquette University has sent you a statement of your total debt obligation and expected monthly payment within a few months of graduation. You must provide a copy of this statement.
2. Statement from employer confirming employment and salary.
3. Income Tax Returns.

CERTIFICATION OF COMPLIANCE

I am a recipient of an LRAP loan for the year _____. I hereby certify that during that year I received proceeds of an LRAP loan that I applied to my educational loan payments. I also certify that I have served the entire year in the following qualifying employment:

Name and Address of Employer

Recipient's Name

Date