

NYU Law Students for Economic Justice's Guide to LRAP
A Primer for Students Considering a Career in Public Interest

This is not an official NYU Law School document – it is an informational guide prepared by students to help clarify LRAP for our fellow students who are considering a public interest career. We hope it will encourage you to seek out further information about the program and to see that a career in public interest is viable thanks to the support of LRAP. With Donald Trump's ascent to the presidency it has become more urgent than ever for more public interest lawyers to step forward.

The information contained herein is not intended as, and should not be relied upon for, legal or financial advice.

	Standard LRAP	Integrated LRAP
Who Backs the Program	NYU	NYU + Federal Government
Eligible Employment <i>These are the types of employment that each program considers qualifying public interest employment.</i>	<ul style="list-style-type: none"> • Government Service • Non-Profit 501(c)(3) Service • Clerkships • Labor Unions • NGOs Based Overseas • Foreign Government • Multinational Organizations • Private Public Interest Firms 	<ul style="list-style-type: none"> • Government Service • Non-Profit 501(c)(3) Service • Clerkships
Qualifying Debt	<ul style="list-style-type: none"> • Federal loans unless you were ineligible, in which case private loans may be covered. • Private bar loans up to \$10,000 <p><i>Non-law debt can be subtracted from your participant contribution dollar for dollar up to \$10k (\$833/month). Spousal/partner undergraduate debt is annualized & subtracted from spousal income up to \$5k.</i></p>	<ul style="list-style-type: none"> • Federal loans • Private bar loans up to \$10,000
Expected Annual Student Contribution <i>LRAP participants must account for the law school's personal expected student contribution.</i>	<p><i>Your personal student contribution, which remains the same for all 3 years here, is located on your initial financial aid award letter (If you no longer have yours, you can contact Student Financial Services for a replacement.) Overall minimums are:</i></p> <ul style="list-style-type: none"> • Class of 2017 and prior: a minimum amount of \$1,700/year • Classes of 2018-19: a minimum amount of \$5,000/year <p><i>There are two ways you can make your student contributions:</i></p> <p><i>(1) While a student, you may reduce the amount of your federal loans by your expected student contribution. Any amount of your student contribution that is left over must be addressed while you are a participant (Option 2).</i></p> <p><i>(2) As a participant in LRAP, you must cover the amount of your monthly loan payment that results from your total expected contribution less any amount you reduced your maximum student loans by (via Option 1). The remaining amount, if any, after 10 years of qualifying payments in LRAP is forgiven along with the rest of your law school debt.</i></p>	
Deferment periods <i>There is some flexibility if you intend to return to eligible employment, but need to suspend the program in the interim.</i>	<p><i>If you intend to return to eligible employment, you may defer the program for up to 24 months (cumulative in the life of the program, not consecutive) for the following reasons:</i></p> <ul style="list-style-type: none"> • Working for a political campaign • Parental and Medical Leaves • Temporary unemployment • Further full-time education 	
What happens if you enter ineligible employment? <i>Note: If this happens before 36 months of participation in LRAP, you are liable to NYU for the LRAP money you received.</i>	<p>If the employment is not covered by Standard LRAP, you are responsible for the remainder of your debt.</p>	<p>If employment is covered by Standard LRAP, you are placed in Standard LRAP for the rest of your participation period. If not, you are responsible for the remainder of your debt.</p>

	Standard LRAP	Integrated LRAP
Base Income for 100% Coverage of Qualifying Debt <i>You can earn up to this amount as income and have your payments fully covered by LRAP.</i>	For 2016 graduates, the base income for 100% coverage of qualifying debt is \$59,246 in 2017. This amount has historically adjusted upward, on average, an estimated 2% per year, based on a variety of factors.	The base income is fixed at \$80,000.
What Happens If You Earn More Than the Base Income for 100% Coverage?	<p>If you earn up to \$30,000 more than the base income, you are responsible for contributing 40% of that income above the base income toward your loan repayment.</p> <p>If you earn above \$30,000 more than the base income, you are no longer eligible for LRAP payment benefits.</p>	If you earn more than \$80,000, you are expected to pay 40% of the amount that exceeds \$80,000 annually toward your loans. If, at any point, your monthly contribution exceeds your monthly payment, you will be ineligible for LRAP payment benefits, but you remain on track for loan forgiveness of your federal loans while you remain under an income-driven schedule and working in federally-eligible employment.
Spousal or Domestic Partner Impact on Eligibility <i>Three possible treatments exist depending on the relative incomes of the participant and their spouse or domestic partner.</i>	Your spouse's/domestic partner's income is considered according to which of the 3 treatments below applies.	Your spouse's/domestic partner's income is considered according to which of the 3 treatments below applies. For Income-Based Repayment (IBR) and Pay As You Earn (PAYE), if you and your spouse/partner file separate federal income tax returns, the loan servicer currently only considers the participant's income.
	<p>(1) If spouse/domestic partner's gross income is less than the participant's gross income, the participant's income will be considered separately.</p> <p>(2) If spouse's/domestic partner's gross income from employment is more than the participant's gross income from employment, the combined income is divided by 2 to calculate the income for LRAP.</p> <p>(3) If two LRAP participants are married or in a domestic partnership, each will be treated as unmarried when calculating income for LRAP.</p>	
Net Worth Determination <i>How LRAP treats assets beyond income when calculating eligibility.</i>	<p>Participants may have assets up to \$20,000 in excess of their total liabilities (i.e., total loan debt, mortgage, car payment). Qualifying retirement assets are not considered part of this amount. If a participant is married, assets and liabilities are combined and then averaged to determine whether a participant has exceeded the net worth determination.</p> <ul style="list-style-type: none"> <i>Example:</i> If a single person's total assets are \$110,000 but they owe \$100,000 in loans, they are in excess by \$10,000 and, therefore, have not reached the net worth limitation. 	
Budget Adjustments	LRAP will cover a one-time budget adjustment of up to \$2,000 to cover the expense of a laptop while at NYU Law. Otherwise, funds borrowed beyond the standard student expense budget will not be covered by LRAP.	

Again, this document is not intended to provide legal or financial advice about your particular situation, and you should not rely upon it as such. Thus, if you have questions about the current program's benefits, or about your particular LRAP situation, please contact Student Financial Services directly at law.lrap@nyu.edu.

If you would like to join an advocacy effort to improve upon the benefits LRAP already offers, please contact Law Students for Economic Justice at lsejboard-group@nyu.edu.

The Information In This Document Is Current Through November 28, 2016. LSEJ will periodically update this guide, but questions about current benefits should always be directed to Student Financial Services.