

NLS LRAP GUIDELINES

Section 1. Statement of Purpose

The purpose of the Loan Repayment Assistance Program (LRAP) is to assist NLS employees in the repayment of law school loans.

Section 2. LRAP Benefits

- a) A person is eligible to be considered for LRAP assistance if he or she:
 - i) is a full-time employee at NLS; and
 - ii) is a licensed attorney; and
 - iii) successfully completes his or her probationary period; and
 - iv) submits a timely LRAP application and supporting documentation.
- b) Debt is "qualified debt" for purposes of LRAP if it was incurred to pay the expenses of legal education and is owed to an institutional or governmental lender, such as federal Stafford loans (both subsidized and unsubsidized), federal Perkins loans, supplemental private loans, such as Law Loans, Law Access, Law Achiever, Bar Study Loans and consolidated loans, among others. Qualified debt does not include undergraduate loans, private loans from friends or family members, or credit card and other consumer debt used to finance legal education. The program will consider private loans from banks if the funds can be sufficiently traced to the financing of an employee's legal education.
- c) Effective January 1, 2002, eligible employees may receive LRAP reimbursement for their student loan payments up to a maximum of \$1,800 per calendar year depending on their length of employment at NLS. Specifically, the maximum LRAP payment will be calculated at the rate of \$150 times the number of months that the person is employed at NLS based on his or her date of hire. For example, a person employed at NLS as of January 1, 2002 will be eligible for a maximum LRAP award of \$1,800 (or \$150 times 12 months of employment) for the 2002 calendar year. However, a person employed at NLS as of August 1, 2002 will only be eligible for \$750 (or \$150 times 5 months of employment).
- d) No LRAP payments will be made for student loans due prior to January 1, 2002 or due prior to an employee's date of hire, whichever date is later.
- e) Full-time NLS employees that are licensed attorneys and have successfully completed their probation may apply for LRAP. Provided that he or she has made payments on qualified debt and submits timely documentation to NLS in accordance with these Guidelines, an employee will be eligible for LRAP reimbursement up to the maximum annual amount permitted. LRAP reimbursement will be retroactive to the employee's date of hire.
- f) If available, employees must first take advantage of LRAP funds from outside sources. The fact that an employee receives assistance from another LRAP will not automatically disqualify him or her for consideration for NLS' LRAP, provided that he or she demonstrates a continued need for assistance and submits adequate documentation about other LRAPs.

Section 3. Disbursement of Funds

- a) LRAP funds will be disbursed on an annual basis. To receive the initial LRAP disbursement for the 2002 calendar year, employees must submit the following items to NLS no later than **July 31, 2003**:
- i) LRAP Application; and
 - ii) Check Request Form; and
 - iii) LRAP Sheet; and
 - iv) Supporting documentation as described in subsection (c) and (d) below.
- b) Provided that employees submit complete applications by the submission deadline, they will receive their initial LRAP payment on August 15, 2003. Please note that NLS can not process incomplete applications. Thus, it is recommended that employees contact their lenders well in advance of the deadline to ensure that the requested information is available.
- c) Employees must submit lender verification with their initial LRAP application listing the following items:
- i) name and address of the lender; and
 - ii) type of educational debt (i.e. Stafford, bar loan, Perkins, etc.); and
 - iii) payment status of each loan (i.e. active, deferral, forbearance); and
 - iv) original amount borrowed for each loan; and
 - v) outstanding balance on each loan; and
 - vi) dollar amount of the monthly repayment obligation.
- d) Employees must submit with their initial LRAP application, and thereafter on an annual basis, a Check Request Form, LRAP Sheet and proof of student loan payments. Acceptable forms of proof include copies of canceled checks, money orders, bank statements, lender statements or other pre-approved proof.
- e) Ongoing LRAP disbursements will be made as follows: employees must submit the required documentation for each 12-month period no later than **January 31** of the proceeding calendar year in order to receive payment in their February 15 paychecks.

Section 4. Changed Circumstances and New Information

- a) Employees shall file an amended LRAP application whenever necessary to ensure that the information is accurate. An application that was accurate when filed nevertheless is inaccurate if it fails to reflect materially changed circumstances or material new information.
- b) Employees shall immediately notify NLS of any changed circumstances or new information that a reasonable person would take into account in deciding whether to alter or revoke LRAP enrollment.

Section 5. Disqualification

- a) A person no longer employed at NLS will be disqualified from LRAP effective on the date of his or her resignation or termination. He or she must submit a claim for LRAP prior to the disqualification date in order to receive payment. Failure to comply with this provision without good cause will result in a waiver of any and all claims for LRAP reimbursement.
- b) A person that fails without good cause to comply with the LRAP Guidelines will be subject to immediate disqualification from LRAP. Failure to comply includes an employee's failure to meet one or more LRAP reimbursement deadlines, submit timely documentation and/or notify NLS of changed or new information.

Section 6. Good Cause

- a) An employee that demonstrates good cause for failing to comply with the LRAP Guidelines may be reinstated and/or receive payment at the discretion of NLS. In the event that the employee's disqualification resulted from his or her failure to meet an LRAP deadline, the employee may be required to submit a new LRAP application and supporting documentation no later than 30 days after the missed deadline as a condition of being reinstated.
- b) Good cause includes, among other circumstances, the fact that the employee was ill, on extended leave or vacation, or otherwise unable to meet the deadline due to circumstances beyond his or her control.

Section 7. LRAP Administration

- a) LRAP shall be administered by NLS.
- b) NLS shall have the discretion to determine:
 - i) whether a loan qualifies for reimbursement; and
 - ii) whether submitted documentation adequately demonstrates that an individual made a qualified debt payment; and
 - iii) the method of payment of LRAP, and
 - iv) whether to disqualify or reinstate any employee from LRAP.
- c) NLS is authorized to amend these Guidelines at any time provided that reasonable notice is given to the Pulse Board regarding NLS' intent to amend the Guidelines. Such notice shall outline the proposed amendments or include the proposed language if available.

Section 8. Disclaimer

LRAP benefits are taxable income to employees under current federal and state tax laws; thus, employees are solely liable for the taxes resulting from LRAP payments made pursuant to these Guidelines. NLS recommends that employees consult a tax advisor for more information about how LRAP payments may affect their individual situation.