

INDIANA BAR FOUNDATION

Loan Repayment Assistance Program

Program Description

The Indiana Bar Foundation Loan Repayment Assistance Program (LRAP) is designed to help offset student loan costs for law school graduates who enter into a professional career with a qualifying Indiana civil legal aid program and to assist civil legal aid organizations in recruiting and retaining qualified lawyers. LRAP provides a forgivable loan to applicants who would otherwise be precluded from employment or who would be unable to continue to work in qualifying employment because salaries do not support their student loan debt burden.

Thanks to the generosity of donors, the Indiana Bar Foundation has established the following endowed funds to support the Loan Repayment Assistance Program.

Hon. Richard M. Givan Loan Repayment Assistance Fund was established in 2006 as a statewide loan assistance program for law school graduates employed in non-profit organizations serving the civil legal needs of low-income individuals and families in Indiana.

Hon. J. Terrence and Peggy Cody Loan Repayment Assistance Fund was established in 2019 to help enable graduating law students to pay for their law school loans and be employed at civil legal aid providers, county Department of Child Services offices and county Public Defender's offices throughout the state of Indiana, with preference given to those employed or living in Floyd County, Indiana.

Eligibility

Licensure. All participants must be licensed to practice law in the State of Indiana. (This requirement may be waived for up to 12 months.)

Employment. Applicants must be employed by a qualifying civil legal aid employer. Applicants may be employed full-time or part-time. Assistance to part-time attorneys shall be pro-rated. For example, attorneys who work four days per week receive 80 percent of the assistance for which they would be eligible if they were full-time. The list of organizations approved by the Foundation as qualifying employers is at the end of this document.

Financial Eligibility. A participant's salary may not exceed \$70,000.

Bar membership. All participants, once licensed to practice law in the State of Indiana, are encouraged to become active members of the Indiana State Bar Association.

Eligible Loans. Undergraduate, graduate and law school loans will be considered in determining the amount of assistance. Family and personal loans are excluded. Also excluded are loans for anything other than educational purposes.

Application and Verification Procedures

Applications must be completed with the required documentation and submitted to the Foundation by the deadline. The Grants and Scholarships Committee of the Foundation reviews and decides eligibility and amounts of assistance. An applicant's debt ratio, personal statement, and tenure will be used to make LRAP award decisions. All information submitted is confidential.

Assistance

A maximum loan of \$5,000 per year may be awarded to each approved applicant. Loan assistance shall be paid quarterly directly to the participant on a prospective basis.

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Notification to Applicants

All applicants will be notified by email of the results of their application. Those applicants selected as participants will be sent instructions with their award notices. Promissory notes between participants and the Foundation must be signed and returned by January 10, 2022. Promissory notes not signed and returned by that date will result in forfeiture of the award. Extenuating circumstances may be considered by the Foundation upon request.

Loan Disbursement to Participants

Loan Repayment Assistance must be used by the participant to pay educational loan debt. Assistance will be disbursed quarterly in the amount equaling one-quarter of the total annual award amount. To receive the quarterly disbursement, the participant must first submit proof of educational loan payment(s) during the prior quarter (three months), except for the first quarter where documentation is required after the first disbursement is made. If a disbursement will not be used during the quarter in which it is received, the participant must contact the Foundation as soon as possible and reimbursement to the Foundation may be required.

Program assistance will, in no instance, be more than the amount of loan repayment paid by the participant. The participant also must provide verification that qualifying employment has been maintained during the previous quarter.

Eligibility Changes

Any financial or employment status changes shall be reported immediately by the participant to the Foundation.

Assistance shall cease in the quarter following the quarter when a participant's salary exceeds \$70,000 or a participant terminates qualified employment.

If a participant changes employment to another qualifying employer during an award cycle, the participant's eligibility will be reviewed by the Foundation. If income qualifications are still met, there will be no change in the award amount during the current cycle. If income qualifications are not met, the award will be terminated at the time of the change.

Former participants may apply in future award cycles if they have qualifying employment and income.

Discharge of Loans

Each loan shall be documented by means of a promissory note executed by the borrower in a form provided by the Foundation. The loans given by the Foundation will be forgivable to the extent the participant meets all applicable employment, income, and other program requirements during the program year. The Foundation will forgive the loan at the end of the annual award year.

Federal Income Tax Liability

The recipient remains solely responsible for any federal, state, or local income tax liability s/he may incur because of the forgiveness of the Foundation loan.

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Program Budget and Funding

Funding available for the Loan Payment Assistance Program is based upon performance of the Foundation's LRAP endowed funds and will be reviewed periodically. Continued operation and funding allocations are contingent on available funding.

LRAP Qualifying Employers

- Indiana Pro Bono providers that receive IOLTA-funded grants
- Current recipients of Civil Legal Aid Fund distributions
- Other civil legal aid organizations including:
 - Center for At Risk Elders (CARE)
 - Kids' Voice of Indiana
 - Middle Way House (Bloomington)
- County offices including Department of Child Services and Public Defender's Office

To become a qualifying employer or to ask questions about the qualification status of an employer, please contact the Indiana Bar Foundation.

Contact Information

Prospective loan applicants should direct questions to:

Abbie Bush, Indiana Bar Foundation Grants and Endowments Manager; abush@inbf.org; 317-269-2415

Current loan recipients should direct questions to:

Michael Tranovich, Indiana Bar Foundation Finance Manager; mtranovich@inbf.org; 317-269-7868