



***INCOME DRIVEN REPAYMENT (“IDR”) FEDERAL PUBLIC SERVICE LOAN FORGIVENESS (“PSLF”)
PUBLIC INTEREST CAREER ASSISTANCE PROGRAM (“PICAP”)***

Guidelines, Frequently Asked Questions, and Application

Introduction

The UC Hastings IDR/PSLF/PICAP offers loan repayment assistance to UCH graduates who choose careers in public interest law and work either for a non-profit 501(c)(3) organization or a government agency. Eligible loans are Federal Direct Stafford and Graduate PLUS loans as well as Federal Consolidation loans. Applicants must demonstrate [partial financial hardship \(PFH\)](#) as defined by the U.S. Department of Education and qualify for either the Federal [Pay As You Earn \(PAYE\) or Income Based Repayment \(IBR\)](#) loan repayment plans. (Dept of Education [Repayment Estimator](#).)

For graduates who qualify, PICAP will pay a portion of the eligible PAYE or IBR loan payments for up to 120 payments. After 120 on-time eligible loan payments, any remaining Federal loan balance will be forgiven by the Department of Education according to its [Public Service Loan Forgiveness \(PSLF\)](#) program. [FedLoan Servicing \(FLS\)](#) is the federal loan servicer designated by the Department of Education to oversee the Public Service Loan Forgiveness program. The Department of Education determines if one qualifies for PAYE or IBR. Generally, PAYE will yield the lowest payment and therefore, should be the selected payment plan for PICAP participants who qualify for it.

Overview – Federal Public Service Loan Forgiveness (“PSLF”)

This program was created by Congress in 2007 to encourage individuals to enter and continue in full-time employment in public service. It provides borrowers who are employed full-time by a public service employer an opportunity to have a significant portion of their eligible federal student loan debt forgiven. Here are some key components of the PSLF.

- Only Federal Direct Loans are eligible for forgiveness in the PSLF program. This means that graduates who borrowed federal loans through a commercial lender as part of the Federal Family Education Loan (“FFEL”) program will need to convert these loans to a Federal Direct Loan by refinancing them in the Federal Direct Consolidation Loan program at www.loanconsolidation.ed.gov.
- More specifically, the loans eligible for forgiveness are: Federal Direct Stafford loans (Subsidized and Unsubsidized), Federal Direct PLUS loans, and Federal Direct Consolidation loans. Federal Perkins loans can be forgiven through PSLF if they are refinanced as part of a Federal Direct Consolidation Loan.
- Loans cannot be in default.
- Participants must be employed full-time (defined as an annual average of the greater of 30 hours/week or the hours per week required by your employer to be considered full-time) by a public service organization.
- You must qualify for Partial Financial Hardship and either the Income Based Repayment (“IBR”) or Pay As You Earn (“PAYE”) repayment plans. IBR and PAYE are Income Driven repayment plans based on one’s income and number of family members. Partial Financial Hardship exists if the amount one would be required to pay per month on the Standard 10-year repayment plan is greater than the amount you would be required to pay in the IBR plan. Public service employment is typically lower paying than many other types of employment. As such, the required monthly payment on PAYE or IBR is typically lower than on any of the other repayment plans.



- You must make 120 separate, full monthly payments within 15 days of the due date.
- Payments do not have to be consecutive.
- You may apply for forgiveness of any remaining balance on qualifying Federal Loans once you have made the 120 months of qualifying loan payments while working full-time in a qualifying public service position.
- Qualifying public service positions generally are those in which you are a full-time employee of a 501(c)(3) non-profit organization (as defined by the IRS tax code) or a government agency (federal, state, local or tribal).

Please review the [Federal Public Service Loan Forgiveness Questions and Answers](#) found here.

Overview – UC Hastings IDR/PSLF/PICAP

The UC Hastings IDR/PSLF/PICAP is designed to coordinate with the Federal Public Service Loan Forgiveness (“PSLF”) program. Following are some key characteristics of the IDR/PSLF/PICAP.

- UCH graduates who have Federal Direct Loans, who demonstrate *partial financial hardship* and qualify for Pay As You Earn (PAYE) or Income Based Repayment (IBR) plans, and work for a qualifying employer may be eligible for PICAP assistance toward federal loan debt borrowed for attendance at UC Hastings. ***PICAP applicants who qualify for PAYE must choose that repayment plan.***
- Participants may stay in IDR/PSLF/PICAP for a maximum of 120 qualifying payments. The payments do not need to be consecutive.
- **PICAP is a Forgivable Loan on a 12-month cycle and split in two disbursements. The estimated disbursement schedule is April and August of every calendar year and may change based on administrative work load. The annual application period for admission into PICAP is January 1 through February 28. Once a year PICAP recipients apply for a forgivable loan that covers a twelve-month loan period which is January through December. Recipients use the PICAP loan proceeds to make regularly scheduled student loan payments to the U.S. Department of Education. At the end of each twelve-month loan period the PICAP recipient submits documentation that confirms loan payments were made to the Federal loans on time and in the amounts previously agreed upon. Recipients must reapply and confirm continued eligibility annually. The previous PICAP loan is forgiven and a new twelve-month PICAP loan is issued to eligible participants. This cycle repeats every twelve months as long as the recipient remains eligible for PICAP up to a maximum of ten years. The recipient is no longer eligible for PICAP as soon as any remaining balance on qualifying Federal Loans have been forgiven through the PSLF (or similar) program. **Once the prior loan is forgiven and continued eligibility is established you will complete a new promissory note available on our web site.****
- \$5,000 maximum annual award
- \$50,000 maximum aggregate limit
- ***Effective January 2017: Forgivable loans will be split in two disbursements. Recipients will complete two promissory notes for the corresponding funding period disbursements of January- July and August-December.**
- NB: Because PICAP funds are limited, awards are not guaranteed. Awards are made based on an annual budget approved by the UC Hastings Board of Directors and on the earnings of endowment funds restricted to the PICAP Program. Depending on available funds each year and the number of eligible participants in the program, recipients may receive less than the maximum amount.



Eligibility

- Applicant must apply for PICAP within 2 years of graduation from UCH.
- Employment must be full-time.
- Employment must be law related.
- Employment must be directly for a local, state, or federal government agency or a public non-profit agency eligible for tax exemption under IRS Code Section 501(c)(3).
- Annual income must be less than the maximum level authorized by the program each year. For 2017 the maximum income must be no more than \$74,999. Refer to FAQ8 below regarding income treatment for married and domestic partnerships.
- All loans must be Federal Direct Loans.
- Applicant must demonstrate [*partial financial hardship*](#) and qualify for loan repayment under either the IBR or PAYE repayment plans. Applicants who qualify for PAYE must choose that repayment plan.
- Applicant must have current qualifying outstanding loans in repayment status and not be in default on any loan. Loans in forbearance or deferment are not eligible for PICAP assistance.

Leaves of Absence

A participant may take up to two years of leave for purposes of child care, nurturing responsibilities, relocation, further education, debilitating injury or illness, etc. During this period the participant is not eligible for assistance. Upon recommencement of qualifying work, the graduate again becomes eligible for assistance, but must wait to apply until the normal application deadline.

Limited Funds

Because PICAP funds are limited, awards are not guaranteed. Awards are made based on an annual budget approved by the UC Hastings Board of Directors and on the earnings of endowment funds restricted to the PICAP Program. Depending on available funds each year and the number of eligible participants in the program, recipients may receive less than the maximum amount.

In no case is program assistance available to graduates who have no outstanding law school loans.



Application

Documents:

- PICAP Participation Form
- PICAP Employer Certification
- Job Description
- Employer 501(c)3 tax exempt certification
- [National Student Loan Data System \(NSLDS\)](#) loan portfolio report
- FedLoan Servicing (FLS)** document, *Disclosure of Repayment Terms*, which confirms the IDR amount, start date, and partial financial hardship (PFH)
- Direct Consolidation Loan Summary (if applicable)
- Other documents as requested

Reminder: Annually resubmit the following forms to **FedLoan Servicing (FLS)**

- IBR application and current Federal tax returns
- PSLF Employment Certification Form (to confirm employment qualification and to verify the total number of payments that qualify for the PSLF)

Deadlines:

Annual Application Deadline: February 28

Only applications that are complete by February 28 are considered for funding. Participants must confirm continued eligibility on a yearly basis.

Calendar:

January – February	Applications accepted
March – April	Awards determined and first disbursement funded; previous year’s loans forgiven
August-September	Second disbursement funded

PICAP is awarded to complete and eligible applications submitted by the Annual Application Deadline of February 28. Because PICAP funds are limited, awards are not guaranteed.

PICAP Process Flow

Annual Application for New Applicants

- Between January 1 and February 28, applicant submits completed PICAP application documents to Financial Aid Office (“FAO”).
- FAO reviews documents and determines PICAP eligibility.
- FAO sends e-mail message regarding eligibility to applicant detailing the amount of the approved PICAP benefit and the link to the PICAP Promissory Note (P-Note).
- Applicant prints and completes two Promissory Notes for the two funding periods January-July and August-December. Ensure to complete page one *Schedule of Advances* and all information on page four of both the P-Notes. Applicant then submits both P-Notes to FAO. P-Notes may be faxed or scanned and emailed, but the copy must have a handwritten signature.
- FAO generates a Check Request for the first PICAP loan disbursement and sends it along with the signed P-Note to UCH Office of Fiscal Services.



- Fiscal Services processes the Check Request and mails the first PICAP Loan disbursement to the applicant or the disbursement can be directly deposited into a bank account by completing the paperwork found here: <http://uchastings.edu/fiscal/direct-deposit.html>.
- In August, FAO generates a Check request for the second PICAP loan disbursement and sends it along with the signed P-Note to UCH Office of Fiscal Services.
- Fiscal Services issues the second loan disbursement.

Annual Application for Continuing Applicants

- Between January 1 and February 28, applicant, submit completed PICAP application documents along with proof of loan payments made between January 1 and December 31 of the prior year to FAO.
- FAO reviews submitted materials and determines whether or not the outstanding loan is eligible for forgiveness and the amount of the next loan disbursement.
- FAO sends e-mail message regarding eligibility to applicant detailing the amount of the approved PICAP benefit and the link to the PICAP Promissory Note (P-Note).
- Applicant prints and completes two Promissory Notes for the two funding periods January-July and August-December. Ensure to complete page one *Schedule of Advances* and all information on page four of both the P-Notes. Applicant then submits both P-Notes to FAO. P-Notes may be faxed or scanned and emailed, but the copy must have a handwritten signature.
- FAO generates a Check Request for the first PICAP loan disbursement and sends it along with the signed P-Note to UCH Office of Fiscal Services.
- Fiscal Services forgives the outstanding loan and issues the first loan disbursement.
- In August, FAO generates a Check request for the second PICAP loan disbursement and sends it along with the signed P-Note to UCH Office of Fiscal Services.
- Fiscal Services issues the second loan disbursement.



IDR/PSLF/PICAP Frequently Asked Questions

FAQ1 *If I am ineligible now, but become eligible later may I apply?*

You may apply for a PICAP loan during the application period (January-February) within two years of graduation if you meet the eligibility requirements.

FAQ2 *May I receive PICAP benefits before I pass the Bar?*

You do not have to pass the Bar to be admitted to PICAP and receive benefits.

Employment

FAQ3 *If I work part-time, can part of my debt qualify for PICAP?*

No, you must be employed full-time as defined by your employer.

FAQ4 *What qualifies as law related employment?*

Law related employment encompasses a wide variety of legal work and is not limited to the practice of law in its strictest sense. The Financial Aid Office in consultation with the Academic Dean's Office and/or public interest faculty will make all determinations. Generally, if your employer is a 501(c)(3) non-profit organization or a government the job will meet the PSLF employment criterion.

FAQ5 *Do I qualify if the organization I work for is partly funded by the government?*

No, your employment must actually be with a government agency (i.e. Public Defender's Office, District Attorney's Office, Judge Advocate General's Office, etc.). Working for a private office that is 80% funded by government sources will not qualify unless it is a 501(c)(3) organization.

FAQ6 *Am I eligible for PICAP if I am currently holding a judicial clerkship?*

No, judicial clerkships do not qualify for PICAP unless the employer can certify you are a full-time employee and your wages are funded by the employer.

Income

FAQ7 *Is there an income ceiling to apply for PICAP?*

The 2017 maximum total income one can make and receive IDR/PICAP is \$74,999.

FAQ8 *How is my income determined?*

The Financial Aid Office shall establish the maximum allowable assets and income. Income is defined as the higher of the total income (line 22 of 1040) under federal income tax laws or the sum of wages, tips, other compensation (Box 1, W-2/1099(s)) of the applicant. Applicants with a spouse or domestic partner will be treated as having the higher of:

- (a) the applicant's individual income; or
- (b) half of the couple's joint income.



Eligible Loans

FAQ9 *What types of loans are eligible under the program?*

Federal Direct Subsidized and Unsubsidized Loans and Federal Graduate PLUS loans for study at UC Hastings. Federal Perkins if refinanced into a Federal Direct Consolidation Loan. No assistance will be provided in the repayment of a graduate’s undergraduate loans, Alternative loans, Bar Study Loans, family, or personal loans. If undergraduate loans are included in the Federal Direct Consolidation Loan PICAP will pay toward the portion that relates to study at UC Hastings.

FAQ10 *May I receive PICAP if my loans are in forbearance or deferment?*

No, loans must be in repayment status and in good standing to receive PICAP funding.

Calculation of Program Assistance

FAQ11 *If I receive a PICAP award how much of my debt will be funded?*

IDR/PSLF/PICAP bases its payment on your IDR monthly loan payment in place with the Department of Education. A PICAP forgivable loan equivalent to a percentage of your expected IDR loan payment will be made once a year. The percentage is based on your expected annual income and the length of qualifying public interest employment you have completed as of January 1 through December 31.

Payment Percentage Grid

The following chart demonstrates the maximum percentage paid. Depending on available funds each year, recipients may receive less than the maximum amount. Refer to FAQ8 for income treatment for married and domestic partnerships. The IDR percentage is based on the number of IDR loan payments made that count toward Public Service Loan Forgiveness and annual income.

# IBR Payment Made	Income		
	\$50,000 or Less	\$50,001 - \$60,000	\$60,001 - \$74,999
1 – 24	70%	60%	50%
25 - 48	74%	64%	55%
49 - 120	80%	75%	70%

FAQ12 *If I pay more on my loan than the expected standard monthly payment will PICAP pay more?*

No. The PICAP benefit is based on your scheduled, regular IDR payment amount.

Disbursement and Forgiveness of a PICAP Loan

FAQ13 *When do I get my PICAP loan disbursement and at what point is the PICAP loan cancelled or forgiven?*

A PICAP loan disbursement is issued after the participant is deemed eligible for PICAP. As applications are due February 28, participants should receive the first loan disbursement by mid-April and the second disbursement by end of August. At the end of the twelve-month period from January through December of the prior year, the PICAP Loans are forgiven (cancelled) after the participant confirms that s/he maintained eligibility and made all of the required Federal Direct loan payments.

Participants **MUST** submit confirmation of loan payments **before February 28** in order to have their loan forgiven. **Otherwise, the PICAP Loan either becomes immediately due or goes into repayment according to the terms of the promissory note.** If the loan goes into repayment the interest rate will be



an annual fixed rate of 5% and the repayment period will be five years or earlier as required pursuant to the minimum monthly payment.

FAQ14 *Are my loan disbursements from PICAP taxed?*

UC Hastings does not take a position on whether or not PICAP benefits in the form of a forgivable loan are tax exempt from federal taxation pursuant to IRS Code 108(f). Other loan repayment assistance programs (LRAPs) have taken that position. You should consult your tax advisor to determine PICAP taxability in your particular case.

Changes in Eligibility

FAQ15 *What happens if I become ineligible for the program after having received a loan disbursement?*

As a PICAP recipient, **you agree to notify the Financial Aid Office within 30 days of becoming ineligible** so that the PICAP award can be adjusted in a timely manner. As long as you **notify Financial Aid within 30 days** you preserve the option to keep a prorated amount for which you may be eligible. You may then choose to either repay the balance of the loan immediately or go into repayment for the balance according to the terms of the promissory note.

If you fail to notify Financial Aid within 30 days of becoming ineligible you forfeit your repayment options and the entire amount of your loan becomes due immediately.

FAQ16 *What happens if my eligibility changes and I am not eligible for the full amount of the disbursement I received, but I remain eligible for the program and am eligible for a lesser amount?*

Sometimes a person's circumstances change and s/he becomes ineligible for part of the most recent disbursement s/he received, but continues to maintain eligibility for the PICAP program. In such a case, an appropriate adjustment will be made to the subsequent PICAP amount.

FAQ17 *Is there a maximum I can receive from PICAP?*

Participants may receive an annual maximum award of \$5,000 and a total lifetime aggregate limit of \$50,000 from the PICAP program.

Right to Modify

UC Hastings College of the Law reserves the right to change the terms of the PICAP program at any time.

More Questions?

Contacts: UC Hastings Financial Aid Office at (415) 565-4624

Victor Ho, Director of Financial Aid

hov@uchastings.edu

Yma Nabong, Assistant Director of Financial Aid

nabongy@uchastings.edu



**IDR/PSLF/PUBLIC INTEREST CAREER ASSISTANCE PROGRAM (PICAP)
APPLICATION (Participation Form)**

To receive funding consideration all required documents must be received by February 28.

NB: Because PICAP funds are limited, awards are not guaranteed. Awards are made based on an annual budget approved by the UC Hastings Board of Directors and on the earnings of endowment funds restricted to the PICAP Program. Depending on available funds each year and the number of eligible participants in the program, recipients may receive less than the maximum amount.

I. PERSONAL DATA (Print Clearly)

Name: _____ SSN: _____ Date of Birth: _____

Address: _____ City: _____ State: _____ Zip: _____

Home Tel: _____ Work Tel: _____

Status (check one): Single Married Domestic Partnership

E-mail Address: _____

Applicant's expected 2017 total gross income from all sources
(Equivalent to your share of Fed Tax Form line 22): _____

Date of Hastings Graduation (Month and Year): _____

II. EMPLOYMENT INFORMATION (Print Clearly)

Current Employer: _____

Employer's Address: _____

Tel: _____ Starting Date: _____ Ending Date: _____

Full-time: Part-time: Job Title: _____

III. PREVIOUS FULL-TIME PUBLIC INTEREST EMPLOYMENT (Print Clearly)

Previous Employer: _____

Employer's Address: _____

Tel: _____ Starting Date: _____ Ending Date: _____

Job Title: _____ Annual Salary: _____

IV. SPOUSE/DOMESTIC PARTNER EMPLOYMENT INFORMATION (Print Clearly)

Current Employer: _____

Employer's Address: _____

Tel: _____ Starting Date: _____ Ending Date: _____

Full-time: Part-time: Job Title: _____

Spouse/Domestic Partner's expected 2017 total gross income from all sources
(equivalent to spouse's/partner's share of Fed Tax Form line 22): _____



V. QUALIFYING LOANS

In determining your qualifying educational loan repayment obligations, only Federal Direct loans certified for study at UC Hastings will be considered. Federal loan programs eligible for assistance are Federal Subsidized and Unsubsidized Direct Loans, Federal Direct Graduate PLUS loans, and the UC Hastings portion of the Federal Direct Consolidation Loan. Additionally, Federal Perkins Loans can be included if refinanced in the Federal Direct Consolidation Loan. Undergraduate loans, alternative loans, Bar Study Loans, family, personal loans, or loans for other than educational purposes are not included.

If you consolidated your UC Hastings loans with loans taken for study at schools other than UC Hastings, we need to determine the portion of the Federal Consolidation Loan that is UC Hastings debt.

VI. AGREEMENT

I declare under the penalty of perjury, all information on this application is true and complete to the best of my knowledge.

I agree to report to the Financial Aid Office within 30 days, any change that causes me to become ineligible for a current loan disbursement. If I notify Financial Aid within 30 days of becoming ineligible I understand that I preserve the option to keep a pro-rated amount for which I may be eligible. I may then choose either to repay the unearned portion of the loan immediately or go into repayment according to the terms of the promissory note.

Furthermore, I understand that failure to report within 30 days a change that causes me to become ineligible will result in the loan becoming immediately due.

I understand that as a continuing PICAP loan recipient, if I fail to submit loan payment confirmation so that my PICAP loan can be forgiven (cancelled) by the February 28 deadline or fail to notify the Financial Aid Office of my intent NOT to re-apply by the February 28 deadline my PICAP loan will become immediately due and payable.

Applicant Name: _____

Applicant's Signature

Date



**2017 IDR/PSLF/PUBLIC INTEREST CAREER ASSISTANCE PROGRAM (PICAP)
Employer Certification Form**

PART A: TO BE COMPLETED BY THE APPLICANT

INSTRUCTIONS: Please complete Part A and forward this form to your current and, if applicable, former employer(s).

Applicant Name: _____

Social Security Number: _____

I authorize my employer, _____, to provide the information requested in Part B to UC Hastings College of the Law.

Applicant's Signature

Date

PART B: TO BE COMPLETED BY THE APPLICANT'S EMPLOYER.

INSTRUCTIONS: The above named individual has applied to the loan repayment assistance program at UC Hastings. The application process requires employer certification of the applicant's employment status. Please complete the following information and return it to our office. If you have any questions, please contact the UC Hastings Financial Aid Office at (415) 565-4624 or by email at financialaid@uchastings.edu.

The above named individual is a (check one) current / former employee.

Date employment began/will begin: _____ Date employment ended (if applicable): _____

Employment Status: Full-time: Yes No Part-time: Yes No

Leave of Absence: Yes No (If yes, give dates) _____

Estimated Gross salary (January 1, 2017 - December 31, 2017): _____

Is a JD degree required for this individual's position? Yes No

Employing agency is a (check one):

- local, state or federal government agency
- private, non-profit agency qualifying for tax exemption under IRS Sections Code 501(c)(3)

Print Name and Title

Employer's Signature

Date

Email

Phone