



UNIVERSITY OF CALIFORNIA HASTINGS COLLEGE OF THE LAW

INCOME BASED REPAYMENT (IBR) FEDERAL PUBLIC SERVICE LOAN FORGIVENESS (PSLF) PUBLIC INTEREST CAREER ASSISTANCE PROGRAM (PICAP)

2012 Guidelines, Frequently Asked Questions, and Application

Introduction

The UC Hastings IBR/PSLF/PICAP program is available to UCH graduates of the Class of 2010 and beyond who choose careers in public interest law and work either for a non-profit 501 (c) (3) organization or a government agency. Applicants must demonstrate [*partial financial hardship*](#) as defined by the U.S. Department of Education and qualify for the Federal [*Income Based Repayment \(IBR\)*](#) or [*Income Contingent Repayment \(ICR\)*](#) loan repayment plans.

For graduates who qualify, PICAP will pay 90 – 100% of the eligible IBR or ICR loan payments for up to 10 years (120 payments). After 10 years (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*](#) program.

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 PSLP 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 either the Income Based Repayment (IBR) or Income Contingent Repayment (ICR) plan. Income Based Repayment (IBR) plan is one of the five loan repayment plans available to repay Federal loans. IBR is 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 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 **Public Service Loan Forgiveness Questions and Answers** found here.

http://studentaid.ed.gov/students/attachments/siteresources/PSLF_QAs_final_02%2012%2010.pdf



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Overview – UC Hastings IBR PSLF PICAP

The Hastings IBR PSLF PICAP is designed to coordinate with the new Federal Public Service Loan Forgiveness (PSLF) program. Generally speaking, if one qualifies for the Federal Public Service Loan Forgiveness one will qualify for PICAP funding to help make the Income Based Repayment (IBR) loan payments on Federal Direct Loans. Here are some key components of the IBR/PSLF/PICAP.

- Hastings graduates who have Federal Direct Loans, who demonstrate *partial financial hardship* and qualify for the Income Based Repayment (IBR) plan, and work for a qualifying employer will be eligible for PICAP assistance toward federal loan debt borrowed for attendance at Hastings.
- PICAP is a Forgivable Loan on a 6 month cycle
The annual application period for admission into PICAP is January through April. In addition to reapplying each year, recipients must confirm continued eligibility each July. Therefore, twice during the calendar year PICAP recipients apply for a forgivable loan that covers a six month loan period which is January through June and July 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 six 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. Additionally, recipients must submit an updated application. The previous PICAP loan is forgiven and a new six month PICAP loan is issued. This cycle repeats every six months as long as the recipient remains eligible for PICAP. Once continued eligibility is established and the prior loan is forgiven, a new promissory note is issued for the next loan disbursement.

Graduates who are current participants in PICAP should submit a copy of their 2011 federal tax form no later than the first business day after April 15, 2012.

Eligibility for UC Hastings IBR/PSLF/PICAP

JD graduates of Hastings College of the Law, who graduated in 2010 or later and meet the following provisions are eligible to apply:

- 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)
- all loans must be Federal Direct Loans
- applicant must demonstrate *partial financial hardship* and qualify for loan repayment under either the IBR or ICR repayment plans
- applicant must have current qualifying outstanding loans in repayment status, and not be in default on any loan.

Application Deadline

Funding priority will be given to applicants who submit their complete applications by the **March 1, 2012** deadline. Awards are made on a first-come, first-served basis.

PICAP will be awarded to qualifying applications until all funds are committed or April 18. Applications received or completed after the April 18 deadline will not receive consideration.

Federal education loans must be in repayment status to qualify for PICAP funding. Loans in forbearance or deferment are not eligible for PICAP assistance.



To apply submit these documents

First time applicants:

- PICAP Participation Form
- PICAP Employer Certification
- Employer 501(c) (3) tax exempt certification (submit once for each employer)
- Job Description
- National Student Loan Data System (NSLDS) report (available from www.nsls.ed.gov/nsls)
- Direct Loans Account Summary or Direct Consolidation Loan Summary Sheet (available from www.studentloans.gov)
- Direct Loans Disclosure of Payment Amount showing IBR repayment plan (available from www.studentloans.gov)
- Other documents as requested

Renewing Participants:

- Proof of loan payments made for prior six month period so PICAP loan can be cancelled. (available at www.studentloans.gov)
- PICAP Participation Form
- PICAP Employer Certification
- Direct Loans Disclosure of Payment Amount showing IBR repayment plan (available from www.studentloans.gov)
- Other documents as requested

IBR/PSLF/PICAP Questions and Answers

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 1 – April 20, any year in which 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 to qualify for any assistance.

FAQ4 *What qualifies as law related employment?*

This requirement 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 .



Eligible Loans

FAQ7 *What types of loans are eligible under the program?*

Federal Subsidized and Unsubsidized Direct Loans and Federal 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 are included in the Federal Direct Consolidation Loan PICAP will pay toward the portion that relates to study at Hastings.

FAQ8 *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

FAQ9 *If I receive a PICAP award how much of my debt will be funded?*

IBR PSLF PICAP bases its payment on your IBR monthly loan payment in place with the Department of Education. A PICAP forgivable loan equivalent to a percentage of your expected IBR loan payment will be made twice a year on a sliding scale. The percentage will be based on the numbers of years you've been in the IBR/PSLF/PICAP program.

Payment Percentage Grid

The following chart demonstrates the maximum percentage paid on monthly. Depending on available funds each year, recipients may receive less than the maximum amount.

Years Employed in Public Interest	% of IBR Payment
1	90%
2	92%
3	94%
4	97%
5	100%
6	100%
7	100%
8	100%
9	100%
10	100%

FAQ10 *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 IBR payment amount.

Disbursement and Forgiveness of a PICAP Loan

FAQ11 *When do I get my PICAP loan disbursement and at what point is the PICAP loan cancelled or forgiven?*

PICAP loan disbursements are issued twice a year (January and July) after completion of the required documents establishing eligibility. At the end of each six-month period (June and December) 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 within 60 days of the end of the loan period 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.



FAQ12 *Are my loan disbursements from PICAP taxed?*

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

FAQ13 *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.

FAQ14 *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 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.

Length of Program Participation

You may stay in IBR/PSLF/PICAP for a maximum of 10 years (120 qualifying payments). The years do not need to be consecutive.

Application Procedure

Applications for 2012 forgivable loans will be accepted from January 1 through April 20, 2012 and are available online at <http://www.uchastings.edu/financial-aid/picap.html>

To apply submit these documents

First time applicants:

- PICAP Participation Form
- PICAP Employer Certification
- Employer 501(c) (3) tax exempt certification (submit one time for each employer)
- Job Description
- National Student Loan Data System (NSLDS) report (available from www.nsls.ed.gov/nsls)
- Direct Loans Account Summary or Direct Consolidation Loan Summary Sheet (available from www.studentloans.gov)
- Direct Loans Disclosure of Payment Amount showing IBR repayment plan (available from www.studentloans.gov)
- Other documents as requested

Renewing Participants:

- Proof of loan payments made for prior six month period so PICAP loan can be cancelled. (available at www.studentloans.gov)
- PICAP Participation Form
- PICAP Employer Certification
- Direct Loans Disclosure of Payment Amount showing IBR repayment plan (available from www.studentloans.gov)
- Other documents as requested



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2012 Deadlines

Priority Funding Deadline: March 1, 2012
Final 2012 Deadline: April 20, 2012

Priority is given to applicants with a year or more of qualifying employment as of January 1, 2012. To receive priority-funding consideration your file must be complete by **March 1, 2012**. After March 1, applicants with less than one year of qualifying employment may be considered.

Funds are awarded on a first-come, first-served basis to complete files until all the funds are committed or **April 20, 2012**. Applications received or completed after the April 20 deadline will not receive consideration.

Participants must confirm continued eligibility no later than August 31 by submitting the required documents in order to have the January through June loan forgiven and to initiate the July through December PICAP Loan.

PICAP Process Flow

- Applicant submits PICAP application documents to Financial Aid Office (FAO).
- FAO reviews documents and determines PICAP eligibility.
- FAO sends e-mail message regarding eligibility to applicant with the PICAP Funding Eligibility Worksheet (FEW) attached.
- UCH Office of Fiscal Services sends e-mail to applicant with the PICAP Promissory Note (P-Note) attached.
- Applicant prints and signs the P-Note and mails it to FAO.
- FAO generates a Check Request for 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 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>
- PICAP recipient re-establishes eligibility no later than August 31 by resubmitting the application documents along with proof of loan payments made within prior six month period.
- 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 with the PICAP FEW attached.
- UCH Office of Fiscal Services sends e-mail to applicant with the PICAP Promissory Note (P-Note) attached.
- Applicant prints and signs the P-Note and mails it to FAO.
- FAO generates a Check Request for second 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 second loan disbursement.

Limited Funds

Because PICAP funds are limited, awards are not guaranteed. Awards are made based on an annual budget approved by the Hastings Board of Directors and on the earnings of endowment funds restricted to the PICAP program. In no case is program assistance available to graduates who have no outstanding law school loans.

Right to Modify

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

More Questions?

Contact the Hastings College Financial Aid Office at (415) 565-4624 or Linda Bisesi at bisesil@uchastings.edu



2012 PICAP CALENDAR

January 1 – March 1	January 1 – March 1 is the <i>priority funding period</i> for continuing participants and new applicants. Payments for January through June are generated when signed promissory note is received by UCH.
March 1, 2012 Continuing Participants	<p>March 1 is the deadline for 2011 continuing participants to re-establish eligibility.</p> <p>March 1 is also the deadline for submission of loan payment documents to have the July – December PICAP loan forgiven/cancelled. If loan payment documents are not received by this date the PICAP loan will go into repayment.</p> <p>2011 participants who fail to submit loan payment documentation or communicate their intent to re-apply by the March 1 deadline will be assessed a fee in the amount of 5% of the loan balance and will be placed into repayment effective March 1.</p>
March 1 – April 20 New Applicants	<p>As long as funds are available, March 1 – April 20 is the timeframe that PICAP is extended to applicants with less than one full year of qualifying employment.</p> <p>PICAP loan disbursements for January – June loans are generated after the signed promissory note is returned to Hastings.</p>
April 20, 2012	<p>2012 application cut-off</p> <p>Applications completed after the April 20, 2012 deadline will not be considered.</p>
July 1 – August 31, 2012	<p>2012 participants must re-establish eligibility to receive July – December funding.</p> <p>2012 January – June participants who do not intend to re-establish eligibility for the second half of 2012, must confirm their eligibility for the January – June loan in order to have the PICAP loan forgiven. Confirmation can be established by submitting proof of loan payments made for the loan period.</p> <p>2012 participants who fail to submit loan payment documentation by the August 31 deadline will be assessed a fee in the amount of 5% of the loan balance and will be placed into repayment effective September 1.</p> <p>PICAP loan disbursements for July through December loans are generated after the signed promissory note is returned to Hastings.</p>



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2012 IBR/PSLF/ PUBLIC INTEREST CAREER ASSISTANCE PROGRAM (PICAP) APPLICATION (Participation Form)

A priority funding period is available to continuing participants and new applicants with at least one year of qualifying employment. To receive priority funding consideration all required documents must be submitted or postmarked by March 1, 2012. If funds remain after the priority group is awarded, PICAP will be extended to applicants with less than one full year of qualifying employment. No applications will receive consideration after April 20, 2012. Funds are limited and issued on a first-come, first-served basis until committed or April 20. Please refer to PICAP 2012 Guidelines for detailed information.

I. PERSONAL DATA (Print Clearly)

Name: _____ SSN: _____ Date of Birth _____

Address: _____ City _____ State _____ Zip _____

Home Telephone: _____ Work Telephone: _____

Status (check one): Single _____ Married _____ Domestic Partnership _____

E-mail Address: _____

Applicant's expected 2012 total gross income from all sources (equivalent to your share of Fed Tax Form line 22):

Date of Hastings Graduation: _____

II. EMPLOYMENT INFORMATION

Current Employer: _____

Employer's Address: _____

Phone Number: _____ Starting Date: _____ Ending Date _____

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

III. PREVIOUS FULL-TIME PUBLIC INTEREST EMPLOYMENT

Current Employer: _____

Employer's Address: _____

Phone Number: _____ Starting Date: _____ Ending Date _____

Full-time: _____ Part-time: _____

Annual Salary: _____ Job Title: _____

IV. SPOUSE EMPLOYMENT INFORMATION

Current Employer: _____

Employer's Address: _____

Phone Number: _____ Starting Date: _____ Ending Date _____

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

Spouse's expected 2012 total gross income from all sources (equivalent to spouse'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 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 Hastings loans with loans taken for study at schools other than Hastings, we need to determine the portion of the Federal Consolidation Loan that is Hastings debt. Therefore, in the Consolidation Loan area below, break out the amount of Stafford or Perkins Loan borrowed at Hastings that is now included in the Consolidation Loan.

Please complete the following table. **INCLUDE ONLY LOANS TAKEN FOR STUDY AT HASTINGS.**

Loan Type	Lender	Outstanding Balance	IBR Monthly Payment	Date Payments Begin	
Federal Direct Consolidation Loan	Department of Education				
Direct Subsidized Stafford					
Direct Unsubsidized Stafford					
Direct Graduate PLUS					

VI. AGREEMENT

I declare under the penalty of perjury, all information on this application is true and complete to the best of my (our) 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 March 1 and August 31 deadlines or fail to notify the Financial Aid Office of my intent NOT to re-apply, by those same dates, my PICAP loan will become immediately due and payable.

Applicant's Signature

Date

Spouse

Date



UNIVERSITY OF CALIFORNIA HASTINGS COLLEGE OF THE LAW

2012 IBR/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).

Name: _____

Social Security Number: _____

I authorize my employer, _____, to provide the information requested in Part B to 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 Hastings College of the Law. 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 Hastings College Financial Aid Office at (415) 565-4624 or by email at financialaid@uchastings.edu.

The above named individual is a _____ 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 annual salary (January 1, 2012 - December 31, 2012) _____

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

- Employing agency is a:
- local, state or federal government agency
 - private, non-profit agency qualifying for tax exemption under IRS Sections Code 501(c)(3)
 - foreign non-profit, NGO, field of international justice (attach description)

Print Name and Title

Signature

Date

Telephone

Email