

TRADITIONAL PUBLIC INTEREST CAREER ASSISTANCE PROGRAM (PICAP) 2012 Guidelines and Frequently Asked Questions (FAQ)

Introduction

The UC Hastings Traditional PICAP program is available to UCH graduates of the Class of 2011 and earlier and for graduates who are employed with an international non-profit organization. Graduates of the Class of 2012 and beyond should enroll in the IBR/PSLF PICAP.

Both the Traditional PICAP and the IBR/PSLF PICAP assist UC Hastings JD graduates with loan repayment. These guidelines refer to the Traditional PICAP program.

Eligibility

JD graduates of Hastings College of the Law, who graduated in 2011 or earlier and meet the following provisions are eligible to apply:

- a) employment must be full-time;
- b) employment must be law related
- c) employment must be directly for a local, state, or federal government agency, a public non-profit agency eligible for tax exemption under IRS Code Section 501(c)(3); or international non-profit, non-governmental positions serving in the public interest
- d) applicant's income must be less than the maximum level authorized by the program each year; (refer to question #6 regarding income treatment for married and domestic partnerships)
- e) applicant must have current qualifying outstanding loans in repayment status, and not be in default on any loan.

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.

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. However, if you enter qualifying employment after finishing a judicial clerkship, then your tenure as a clerk will be credited as qualifying employment for the purpose of determining what percentage of your qualifying loans will be covered by the program.

Example: You served in a judicial clerkship from November 2009 through December 2011 and began working in PICAP eligible employment January 2012. You apply for PICAP beginning January 2013. Because you completed two full years as a judicial clerk and one full year of qualifying employment you will enter PICAP at year level 3.

Income

The maximum *total income* one can make in 2012 and qualify for PICAP is \$69,999.

FAQ7 *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

FAQ8 *What types of loans are eligible under the program?*

Federal Stafford, Federal Perkins, and Hastings College loan programs certified for study at UC Hastings will be considered. No assistance will be provided in the repayment of a graduate's undergraduate loans, Alternative loans, Grad PLUS Loans, Bar Study Loans, family, or personal loans. If loans have been consolidated PICAP will pay toward the portion that relates to study at Hastings.

FAQ9 *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

FAQ10 *If I receive a PICAP award how much of my debt will be funded?*

Your loan servicer determines your monthly educational loan payment on an amortization schedule that is based on the number of years in your repayment schedule (10 – 30 years) and the applicable interest rate. PICAP bases its payment on your expected monthly loan payment as determined by the loan repayment schedule you have in place with your loan servicer on January 1.

A PICAP forgivable loan equivalent to a percentage of your expected loan payments will be made twice a year on a sliding scale. The percentage will be based on your expected annual income and the length of qualifying public interest employment you have completed by January 1.

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 FAQ6 for income treatment for married and domestic partnerships.

Years Employed in Public Interest	Income		
	50,000 or Less	\$50,001-60,000	\$60,001-69,999
1	90%	80%	70%
2	92%	84%	75%
3	94%	88%	80%
4	97%	92%	85%
5	100%	96%	90%
6	100%	100%	95%
7	100%	100%	100%
8	100%	100%	100%
9	100%	100%	100%
10	100%	100%	100%

Example: Your qualifying employment began on November 1, 2010. You first applied for PICAP in January 2012. Your income from all sources in 2012 is expected to be \$51,000. As such, you have one *full* year of qualifying employment, but less than two. Therefore, PICAP will pay at year level 1. PICAP will give you a forgivable loan for 80% of your qualifying loan payments.

FAQ11 *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 payment amount.

Disbursement of Funds

FAQ12 *When do I get my PICAP loan disbursement?*

PICAP loans and loan disbursements are issued twice a year after completion of the required documents establishing eligibility. Checks are sent directly to the participants or deposited directly into a bank account. Direct deposit paperwork can be found at <http://uchastings.edu/fiscal/direct-deposit.html>.

FAQ13 *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.

Forgiveness (cancellation) of PICAP forgivable loan

PICAP forgivable loans are issued twice a year (January and July). 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 educational 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.

Changes in Eligibility

FAQ14 *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. Traditional PICAP participants **MUST** notify Financial Aid if they find their total annual income will exceed the defined maximum. 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.

FAQ15 *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.

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 re-commencement of qualifying work, the graduate again becomes eligible for assistance.

Length of Program Participation

There is no limit to the number of years one may participate in PICAP as long as the eligibility criteria are met.

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>

Required Documents

First time applicants:

1. Participation Form
2. Employer Certification
3. Employer 501(c) (3) tax exempt certification
4. Job Description

Renewing Participants:

1. Proof of loan payments made for the July – December 2011 so that the July – December PICAP loan can be cancelled. A loan payment history can be downloaded from most lender web sites.
2. Participation Form
3. Employer Certification
4. 2011 Federal tax forms and income statements (W-2, 1099) (due after filing with IRS in April 2012)

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

Applications completed between January 1 – March 1, 2012	<p>January 1 – March 1 is the <i>priority funding period</i> for continuing participants and new applicants with at least one full year of qualifying employment.</p> <p>Required documents: Participation Form, Employer Certification, Job Description and 2011 Federal Tax Forms & Wage Statements after filing in April.</p> <p>Payments for January through June are generated when signed promissory note is received by UCH.</p>
March 1, 2012 Continuing Participants	<p>March 1 is the deadline for 2011 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, 2012 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>Required documents: Participation Form, Employer Certification, Employer 501(c) (3) tax exempt certificate, and Job Description.</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 Applications completed after the April 20, 2012 deadline will not be considered.</p> <p>Continuing Participants: April 20 is the deadline to submit the 2011 Federal Tax Form to confirm 2011 income.</p>
July 1 – August 31, 2012	<p>2012 participants must re-establish eligibility to receive July – December funding.</p> <p>Required documents: Participation Form, Employer Certification, Loan Payment History showing January – June loan payments</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>

University of California
HASTINGS COLLEGE OF THE LAW

**2012 TRADITIONAL 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/DOMESTIC PARTNER EMPLOYMENT INFORMATION

Current Employer: _____

Employer's Address: _____

Phone Number: _____ Starting Date: _____ Ending Date _____

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

Spouse/Domestic Partner's expected 2012 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 educational loan repayment obligations, **only loans certified for study at Hastings will be considered. Loan programs eligible for assistance are Federal Subsidized and Unsubsidized Stafford Loans, Federal Perkins Loans and Hastings College Loans.** 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	Monthly Payment	Date Payments Begin	Length of Repayment (10 - 30 Yrs)
Perkins	Hastings College				
Subsidized Stafford					
Unsubsidized Stafford					
Hastings College Loan	Hastings College				
James O'Neill Loan	Hastings College				
Federal Consolidation Loan					
SubStafford at Hastings					
UnsubStafford at Hastings					
Perkins at Hastings					

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.

I authorize the Fiscal Services Office to release my Perkins, O'Neill, or Hastings Loan repayment history for the purpose of calculating my PICAP assistance.

Applicant's Signature

Date

Spouse/Domestic Partner Signature

Date

University of California
HASTINGS COLLEGE OF THE LAW
200 McAllister Street
San Francisco, CA 94102

2012 TRADITIONAL 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