



PUBLIC INTEREST CAREER ASSISTANCE PROGRAM Guidelines, Frequently Asked Questions, and Application

Introduction

The UC Hastings Public Interest Career Assistance Program (“PICAP”) offers loan repayment assistance to UC Hastings graduates who choose careers in public interest law, and work either for a non-profit 501(c)(3) organization or an eligible government agency, and who have qualifying outstanding federal loans in repayment status. Qualifying federal loans are Federal Direct Stafford and Graduate PLUS loans, as well as Federal Consolidation loans.

Applicants must demonstrate [Partial Financial Hardship](#) 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. 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. IBR and PAYE are income driven repayment plans based on one’s income and number of family members.

For graduates who qualify, PICAP will pay a portion of eligible PAYE or IBR loan payments up to 120 payments. After 120 on-time eligible loan payments, any remaining Federal loan balance may be forgiven by the Department of Education according to its [Public Service Loan Forgiveness \(“PSLF”\)](#) program.

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

PSLF 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:

- [FedLoan Servicing](#) is the federal loan servicer designated by the Department of Education to oversee the Public Service Loan Forgiveness program.
- Only Federal Direct Loans are eligible for forgiveness in the PSLF program. This includes Federal Direct Stafford loans (Subsidized and Unsubsidized), Federal Direct PLUS loans, and Federal Direct Consolidation loans. Graduates who borrowed federal loans through a commercial lender as part of the Federal Family Education Loan 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. Federal Perkins loans can also 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 IBR or PAYE repayment plans.
- The Department of Education determines if one qualifies for IBR or PAYE. The required monthly payments on IBR or PAYE repayment plans, if eligible, are 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 Direct 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 PICAP

PICAP is designed to coordinate with the Federal PSLF program. Following are some key characteristics of the program:

- UC Hastings graduates who have Federal Direct Loans, who demonstrate Partial Financial Hardship and qualify for PAYE or IBR plans, and work for a qualifying employer may be eligible for PICAP assistance toward repayment of federal loans borrowed for attendance at UC Hastings. ***PICAP applicants who qualify for PAYE must choose that repayment plan.***
- Participants may stay in PICAP for a maximum of 120 qualifying payments. The payments do not need to be consecutive.
- The annual application period for admission into PICAP is January 1 through February 28. For new applicants, the deadline is April 15th.
- Once a year PICAP recipients apply for a forgivable loan that covers a 12-month (January through December) loan period, with two disbursements in or around April and August of every calendar year, subject to UC Hastings administrative work loads.
- Recipients use PICAP loan proceeds to make regularly scheduled student loan payments to the U.S. Department of Education. At the end of each 12-month loan period the PICAP recipient submits documentation that confirms loan payments were made towards their Federal Direct Loans on time and in the amounts previously agreed upon between the participant and the federal loan servicer.
- Recipients must reapply and confirm continued eligibility annually. If continued eligibility is established, the previous PICAP loan is forgiven, a new 12-month PICAP loan is issued to eligible participants, and new promissory note will be signed by the participant. This cycle repeats every 12 months as long as the recipient remains eligible for PICAP, up to a maximum of 120 qualifying payments.
- Recipients are no longer eligible for PICAP as soon as any remaining balance on qualifying Federal Direct Loans have been forgiven through the PSLF (or similar) program.
- PICAP participants may receive an annual maximum award of \$5,000.
- PICAP participants may receive a total lifetime maximum aggregate award of \$50,000.
- **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 stated above.**



Eligibility

- Applicant must apply for PICAP within 2 years of graduation from UC Hastings.
- 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 2019 a participant's maximum adjusted gross income (AGI) may be no more than \$84,999. 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.

Hardship Exception to Maximum AGI

PICAP participants who cap out of the program in the immediately prior PICAP cycle due to exceeding the maximum allowable income may apply for a PICAP Hardship Exception if they are within 10% of the income cap and have hardship circumstances (e.g., depended care expenses, out of pocket medical expenses, etc.). Refer to FAQ9 below for more information on the PICAP Hardship Exception.

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.

PICAP is not 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
- Loan Servicer* documents, *Disclosure of Repayment Terms*, which confirms the IDR amount, start date, and partial financial hardship (PFH)
- Direct Consolidation Loan Summary (if applicable)
- Renewal applicants: 2018 Tax Return (to verify AGI)



- Other documents as requested

Reminder: Annually resubmit the following forms:

- IBR application and current Federal tax returns to your loan servicer.
- PSLF Employment Certification Form (to confirm employment qualification and to verify the total number of payments that qualify for the PSLF) to Fedloan Servicing (FLS)

Deadlines:

Annual Application Deadlines: February 28 (For renewal applicants)
April 15 (For new applicants)

Only applications that are completed by the aforementioned deadlines are considered for funding. Participants must confirm continued eligibility on a yearly basis.

Calendar:

January – April 15	New Applications accepted
January – February 28	Renewal Applications accepted
March – May	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 for renewal applicants or April 15 for new applicants. Because PICAP funds are limited, awards are not guaranteed.

PICAP Process Flow

Annual Application for New Applicants

- Between January 1 and April 15, 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 P-Notes for the two funding periods January-June and July-December. Applicant must complete the page one *Schedule of Advances* and all information on page four of both 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 the UC Hastings Office of Fiscal Services.
- The Office of 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 the UC Hastings Office of Fiscal Services.
- The Office of Fiscal Services issues the second loan disbursement.

Annual Application for Continuing Applicants



- Between January 1 and February 28, applicant submits 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 P-Notes for the two funding periods January-June and July-December. Applicant must 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 the UC Hastings Office of Fiscal Services.
- The Office of 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 the UC Hastings Office of Fiscal Services.
- The Office of Fiscal Services issues the second loan disbursement.

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?

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

Yma Nabong, Assistant Director of Financial Aid/PICAP Administrator

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Victor Ho, Director of Financial Aid

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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-April) within two years of graduation if you meet the eligibility requirements.

FAQ2 *Must I pass the Bar to receive PICAP benefits?*

You do not have to pass a Bar Exam to be eligible for 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 local, state, or federal government, the job will meet PSLF employment criteria.

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

No, your employment must actually be with a 501(c)(3) non-profit organization or a local, state, or federal government agency (i.e. Public Defender's Office, District Attorney's Office, Judge Advocate General's Office, etc.). Working for a private office, even if it is partly or even mainly 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?*

Yes, judicial clerkships do qualify for PICAP as long as 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 2020 maximum adjusted gross income (AGI) one can make and receive PICAP assistance is \$84,999.

FAQ8 *How is my income determined?*

The Financial Aid Office establishes the maximum allowable assets and income limit. Income is defined as the adjusted gross income (AGI) reported in the applicant's most recent tax return. Applicant income will not be adjusted unless the spouse's income is higher, in which case, the Financial Aid Office will average the combined adjusted gross income of the applicant and the spouse. Example: Your income is \$50,000 and your spouse's income is \$80,000. Your income for PICAP purposes would be \$65,000.

FAQ9 *I earn more than the maximum allowable income. May I still qualify for PICAP assistance?*

You may still qualify for PICAP assistance if you earn within 10% of the maximum allowable income, you have a documented hardship circumstance (e.g., dependent care expenses, out of pocket medical expenses, etc.), and you apply for a PICAP Hardship Exception. The PICAP Hardship application must be submitted during the PICAP cycle immediately following the cycle in which the applicant still earned below the maximum allowable income cap.



Eligible Loans

FAQ10 *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 are eligible under PICAP. Federal Perkins Loans, if refinanced into a Federal Direct Consolidation Loan, are also eligible. No assistance will be provided in the repayment of a graduate’s undergraduate loans, alternative loans, Bar Study Loans, family loans, or other personal loans. If undergraduate loans are included in the Federal Direct Consolidation Loan, PICAP will assist with the portion that relates to study at UC Hastings.

FAQ11 *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

FAQ12 *If I receive a PICAP award how much of my debt will be funded?*

PICAP awards are based on payment amounts on your income driven repayment (“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 payments you have made as of January 1 through December 31 of a given PICAP cycle.

Payment Percentage Grid

The following chart demonstrates the maximum percentage a participant may receive. 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	\$75,000 - \$84,999
1 – 24	70%	60%	50%	35%
25 - 48	75%	65%	55%	40%
49 - 120	80%	75%	70%	55%

FAQ13 *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

FAQ14 *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 (renewal) and April 15 (new applicants), participants should receive the first loan disbursement by May and the second disbursement by end of September. At the end of the 12-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 required Federal Direct loan payments.

Renewal applicants **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.

FAQ15 *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. 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

FAQ16 *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.

If you think you might be eligible for a PICAP Hardship exception, see FAQ10.

FAQ17 *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.

FAQ18 *Is there a maximum amount of assistance I can receive from PICAP?*

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

Right to Modify

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More Questions?

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

Yma Nabong, Assistant Director of Financial Aid/PICAP Administrator

nabongy@uchastings.edu

Victor Ho, Director of Financial Aid

hov@uchastings.edu



**2020 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, 2020 - December 31, 2020): _____

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