

# Oregon's John R. Justice Loan Repayment Program

## 2010- 2011 Guidelines

### Deadline for online Submission; Monday, June 6, 2011 by 5pm

Oregon's JR Justice Loan Repayment Program (JRJ) provides educational loan repayment benefits to prosecutors and public defenders in the state of Oregon using funding from the John R. Justice (JRJ) Program. The purpose of the program is to encourage qualified attorneys to choose careers as prosecutors and public defenders and to continue in that service. This new loan repayment program will be administered by the Criminal Justice Commission.

#### I. Amount of Program Funding and Benefit Amount

The Oregon JRJ Program has approximately \$100,000 for benefits during the period of October 1, 2010 – September 30, 2011. Allocation of funds will be equally distributed between prosecutors and public defenders. Each beneficiary may receive *up to \$5,000 per recipient year*. A beneficiary may not receive more than \$60,000 in total lifetime benefits provided by JRJ grant funds.

#### II. Eligibility

##### A. Eligible Employment

The definitions of prosecutors and public defenders who are eligible for benefits from the Oregon JRJ Program are below:

*Prosecutor* – A full-time employee of a state or unit of local government (including tribal government) who is continually licensed to practice law and prosecutes criminal or juvenile delinquency cases at the state or unit of local government level (including supervision, education, or training of other persons prosecuting such cases). 42 U.S.C. §3797cc-21(b)(1).

*Public Defender* – An attorney who is continually licensed to practice law and is a full-time employee of a state or unit of local government (including tribal government) who provides legal representation to indigent persons in criminal or juvenile delinquency cases including supervision, education, or training of other persons providing such representation; is a full-time employee of a nonprofit organization operating under a contract with a state or unit of local government who devotes substantially all of the employee's full-time employment to providing legal representation to indigent persons in criminal or juvenile delinquency cases including supervision, education, or training of other persons providing such representation; or employed as a full-time federal defender attorney in a defender organization pursuant to Subsection)(g) of section 3006A of Title 18, United States Code, that provides legal representation to indigent persons in criminal or juvenile delinquency cases. 42 U.S.C. §3797cc-21(b)(2).

*Ineligible employment:* Prosecutors who are employees of the federal government are ineligible. Attorneys who are in private practice and not a full-time employee of a non-profit organization, even if individually or part of a firm that is under contract with a state or court appointed to provide public defense services, do not qualify as public defenders and therefore are not considered to be eligible.

**B. Other Eligibility Requirements**

1. A beneficiary must be a U.S. citizen or an eligible non-citizen
2. A beneficiary must be employed in the state from which s/he receives JRJ funding.
3. A beneficiary must be employed full-time, which is not less than 75 percent of a forty hour work week.
4. A beneficiary must be continually licensed to practice law.
5. A beneficiary must have an outstanding balance on an eligible educational loan.
6. A beneficiary must make a commitment to a three-year service agreement each time benefits are received.
7. A beneficiary must not be in default on repayment of any federal student loans.
8. A beneficiary must have a Modified Adjusted Gross Income (MAGI) of \$60,000 or less if single and \$100,000 if married.

*Note: See Service Agreement for additional Eligibility Requirements.*

**C. Eligible Student Loans**

The following loans are eligible for repayment with JRJ funds:

1. A loan made, insured, or guaranteed under part B of subchapter IV of chapter 28 of Title 20 (Federal Family Education Loan Program);
2. A loan made under part C or D of subchapter IV of chapter 28 of Title 20 (William D. Ford Federal Direct Loan and Federal Perkins Loans);
3. A loan made under section 1078-3 or 1087e(g) of Title 20 (Federal consolidation loans and Federal Direct Consolidation loans, respectively).

The following loans are **ineligible** for repayment with JRJ funds:

4. A loan made to the parents of a dependent student under section 428B of the Higher Education Act of 1965 (20 U.S.C. 1078-2);
5. A Federal Direct PLUS Loan made to the parents of a dependent student;
6. A loan made under section 428C or 455 (g) of the higher Education Act of 1965 (20 U.S.C. 1078-3 (Federal consolidation loans) and 1087e(g) (Federal Direct Consolidation loans) to the extent that such loan was used to repay a loan described in clause (1) or (2);
7. Private loans

***Note:** Applicants who have consolidated their qualifying loans with a spouse's loans should provide documentation showing the dollar amount each party held at the time of consolidation and calculate what percentage of the new combined loan is attributable to each person. The Oregon JRJ Program will look at the current loan balance, and, based on the percentage attributable to the attorney requesting participation, will establish that portion as the "loan balance" eligible for repayment.*

### **III. Application and Review Process**

**Step 1) Online Application** – Before applying an applicant must determine that they meet the **Eligibility Requirements** listed in Section II of these Guidelines. All eligible applicants must submit their application through CJC's *Oregon Online Grants System* (OOGS); [www.cjcgrants.com](http://www.cjcgrants.com). An application packet includes the application form, most recent IRS 1040, loan verification form(s), copy of most recent paystub, employment verification form, nomination letter from current employer and a signed JR Justice Service Agreement. **CJC will only accept electronic submissions.**

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**Step 2) Eligibility Screening** – CJC grants staff will screen all applications to insure they meet the minimum eligibility requirements. Any applicant that does not meet minimum eligibility requirements will be notified by CJC staff and their application will not move forward in the process.

**Step 3) Review Process** – all applications will be peer reviewed by 2 separate committees: (1) District Attorney Review Committee and (2) Public Defenders Review Committee. Each review committee will consist of four or five members selected by CJC members and staff.

### **IV. Selection of Beneficiaries**

As stated previously, the total amount of benefits funded with JRJ funding will be equally divided between prosecutors and public defenders.

Within the two employment categories, priority will be given to those attorneys who have the *least* ability to repay their student loans. The methodology that will be used to assess an applicant's ability to repay their student loans will be to consider the ratio of an applicant's Annual Student Loan Payment (ASLP) to an applicant's Modified Adjusted Gross Income (MAGI). The minimum ratio needed to receive benefits will be determined after all applications are received and the numbers of applications is compared with the total amount of funding available. Awards will distributed to those *least able* to repay their loans, but may be spread among geographic and population density to ensure that funding is not isolated or heavily concentrated in any particular metropolitan area or geographic section of the state.

**V. Service Agreement**

Attorneys selected to receive assistance must sign a Service Agreement with the U.S. Department of Justice. The service agreement obligates a beneficiary of 2010-2011 JRJ funds to “remain employed as a prosecutor or public defender for a period of service of not less than three years (36 months) unless involuntarily separated from employment.” The Service Agreement is attached to these guidelines and should be read for all of the agreements that the beneficiary will need to agree to with the U.S. Department of Justice.

**VI. Benefits Distribution**

OR/ JRJ Program will pay the awarded benefits in one annual payment to the lender of the beneficiary’s loan. The amount paid will not exceed the total qualifying loan balance. OR/ JRJ Program will not be held responsible for any late fees assessed by the lending institution. If the beneficiary has more than one eligible loan, s/he will indicate on the application the loan for which the OR/ JRJ Program should make the one annual payment.

**VII. Taxability**

Loan payments made through the OR/JRJ Program on behalf of beneficiaries may be taxable and subject to withholding. Recipients are encouraged to check with a tax advisor/accountant. **CJC staff will not advise recipients on any potential tax liability.**

**VIII. Renewal of Benefits for 2010-2011 Beneficiaries**

Once approved for loan repayment, there is a rebuttable presumption that a beneficiary will be given priority consideration to receive funding during the second and third years of the three year Service Agreement, depending on the availability of funds. Renewal is not automatic and nothing shall obligate OR/JRJ Program to renew a benefit in the same (or greater) amount previously received by a beneficiary.

**IX. Changes in Beneficiary Employment**

Beneficiaries who change jobs, but remain in continual, eligible employment in Oregon will continue to be eligible for current or renewed benefits to the same extent as those who did not change employment.

**X. Contact Information**

For more information about the Oregon JRJ Loan Repayment Program, contact: Lorin Dunlop, Grants Coordinator; [lorin.dunlop@state.or.us](mailto:lorin.dunlop@state.or.us)

**John R. Justice Student Loan Repayment Program (JRJSLRP)  
Service Agreement**

NAME: \_\_\_\_\_

In consideration of the student loan repayment incentive for which I have been offered under 42 U.S.C. §3797cc-21, I hereby agree as follows:

1. I will remain employed as a prosecutor or public defender for a period of service of not less than three years (36 months) unless involuntarily separated from my employment.

In accordance with 42 U.S.C. §3797cc-21(b)(1), the term “prosecutor” is understood to mean a full-time employee of a State or unit of local government who—

- (A) is continually licensed to practice law; and
- (B) Prosecutes criminal or juvenile delinquency cases at the State or unit of local government level (including supervision, education, or training of other persons prosecuting such cases).

In accordance with 42 U.S.C. §3797cc-21(b)(2), the term “public defender” is understood to mean an attorney who—

- (A) Is continually licensed to practice law; and
- (B) Is—
  - (i) a full-time employee of a State or unit of local government who provides legal representation to indigent persons in criminal or juvenile delinquency cases (including supervision, education, or training of other persons providing such representation);
  - (ii) a full-time employee of a nonprofit organization operating under contract with a State or unit of local government, who devotes substantially all of the employee’s full-time employment to providing legal representation to indigent persons in criminal or juvenile delinquency cases (including supervision, education, or training of other persons providing such representation); or
  - (iii) employed as a full-time Federal defender attorney in a defender organization established pursuant to section 3006A of Title 18, that provides legal representation to indigent persons in criminal or juvenile delinquency cases.

2. I understand that JRJSLRP funds are a supplement to, not a substitute for, my personal student loan obligations. I understand that amounts to be paid on my behalf are subject to the availability of funds and my continued eligibility. I understand that if I do not remain eligible, then further loan repayment benefits may be denied although the service obligation will remain in force. I understand that the award of JRJSLRP in any fiscal year does not guarantee benefits in future fiscal years, and that awards are subject to the availability of appropriations. I understand that any loan repayments made on my behalf may be taxable and subject to withholding.
3. I authorize the Department of Justice and/or the designated JRJSLRP State administrative agency, to verify the status, payment history, and outstanding balance of each qualifying loan, and to discuss the terms with the lender or note holder, or predecessors or successors in interest.

The term “qualifying loan” is understood to have the same meaning as “student loan” in 42 U.S.C. §3797cc-21(b)(3):

- (1) A loan made, insured, or guaranteed under part B of subchapter IV of chapter 28 of Title 20;
- (2) A loan made under part C or D of subchapter IV of chapter 28 of Title 20; and
- (3) A loan made under section 1078-3 or 1087e(g) of Title 20.

Further, the term “qualifying loan” is expressly understood not to include any of the following loans:

- (1) A loan made to the parents of a dependent student under section 1078-2 of Title 20.
  - (2) A Federal Direct PLUS Loan made to the parents of a dependent student.
  - (3) A loan made under section 1078-3 or 1087e(g) of Title 20 to the extent that such loan was used to repay a loan described in sub. (1) or (2) above.
4. I will notify the designated JRJSLRP State administrative agency, without delay, in writing, of any transfer to a new position or employing agency, identifying myself as a JRJSLRP beneficiary.
  5. I will notify the designated JRJSLRP State administrative agency, without delay, in writing, of my intention to voluntarily separate, resign, or retire from my position as an eligible beneficiary before completing my service obligation under paragraph 1 above.
  6. I will notify the designated JRJSLRP State administrative agency, without delay, in writing, of my status in default of any loan obligation with respect to a qualifying “student loan,” as defined in 42 U.S.C. §3797cc-21(b)(3)(A).
  7. In the event I voluntarily leave my position as an eligible beneficiary, or in the event I am involuntarily separated for misconduct or unacceptable performance before completing the agreed upon period of service, I will be indebted to the Federal government and must reimburse the Department of Justice for the full amount of any student loan repayments made on my behalf under this service agreement. I further acknowledge that a sum equal to the amount that I am required to repay shall be recoverable by the Federal government from me (or my estate, if applicable) by such methods as are provided by law for the recovery of amounts owed to the Federal government.
  8. I understand and affirm that I remain responsible for making regular student loan payments, that such responsibility is not abated by selection for participation in the JRJSLRP, and that I am required to continue to make personal payments toward my qualifying loans to remain eligible for the JRJSLRP in the future. I understand that JRJSLRP payments will be made directly to the holder of my qualifying loan(s) and that I will not be the direct recipient of any such funds.
  9. Loan repayments made on my behalf pursuant to this agreement do not exempt me from responsibility and/or liability for the full amount of any loan in which I am the debtor.
  10. I am responsible for any income tax obligation resulting from the student loan repayments made on my behalf.
  11. I understand that, by law, repayment benefits made on my behalf cannot exceed \$10,000 in any calendar year or an aggregate total of \$60,000. This limitation should not, under any circumstances, be construed as an obligation of said benefits. This agreement may be modified by the parties, subject to the limitations of 42 U.S.C. §§ 3797cc-21(d) and (e), to provide additional student loan repayment benefits without the need for an entirely new agreement. Such modifications include, but are not limited to, the possibility of payment increases, or the

extension of benefits beyond the initial three-year service obligation, in consideration for additional service commitment by the beneficiary, based upon terms to be determined by the parties.

12. Periods of leave without pay, or other periods during which I am not in a pay status do not count toward the completion of the required service period upon reemployment. The service completion date must be extended by the total time spent in non-pay status. However, absence because of uniformed service in a recognized branch of the United States military, authorized maternity/paternity, FMLA, or due to compensable injury is considered creditable (within the sole discretion of the Director of BJA) toward the required service period upon reemployment.
13. This agreement is null and void if I am not selected for JRJSLRP in the year I sign and date this agreement.
14. Privacy Act Notification: This information is provided pursuant to the Privacy Act of 1974 (Public Law 94-579), as amended, for individuals supplying information for inclusion in a system of records. The authority for the collection of this information is 42 U.S.C. §3797cc-21. The purpose of the John R. Justice Loan Repayment for Prosecutors and Public Defenders statute is to encourage qualified individuals to enter and continue employment as prosecutors and public defenders. This Agreement and related data are made part of the file to be used within the Department of Justice for record-keeping and management while participating in the John R. Justice Loan Repayment program. The information also may be disclosed outside the Department, as permitted by the Privacy Act and Freedom of Information Act, to the Congress, the Internal Revenue Service, and pursuant to court order. You are asked to provide your Social Security Number. Please note that if you do not provide this information, and you are selected to participate in the John R. Justice Loan Repayment program, your Social Security Number will be required later to enable the Department to verify your eligibility status. Failure to submit this information will render this Agreement incomplete and you will be considered ineligible to participate in the program.

I, \_\_\_\_\_, agree to the terms of this Service Agreement.

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE**