

**New Hampshire Bar Foundation
Law School Loan Repayment Assistance Program**

Mission: The Law School Loan Repayment Assistance Program (Program) provides law school loan assistance, in the form of forgivable loans, to ensure the ability of NH Legal Assistance (NHLA), Legal Advice and Referral Center (LARC), Disabilities Rights Center (DRC), and New Hampshire Pro Bono (Pro Bono) to recruit and maintain a diverse body of highly qualified staff attorneys.

Eligibility: Attorneys employed by NHLA, LARC, DRC or Pro Bono, full-time or part-time, who have outstanding law school loans are eligible. Assistance to part-time attorneys shall be pro-rated. For example, attorneys who work four days per week receive 80% of the assistance for which they would be eligible if they were full-time. Assistance will be pro-rated for attorneys who are employed for less than the full year. For example, an attorney who is employed full-time for six months of a program year would receive 50% of the assistance for which they would have been eligible if they had been employed for the entire year. The Program year is July 1 through June 30.

Contingent on Annual Funding: The Bar Foundation has allocated funding for this Program from the IOLTA Program and continued operation of this Program depends on the availability of IOLTA funds.

Extent of Assistance: The Program makes forgivable loans equivalent to a percentage of the total outstanding principal of all staff attorneys' law school loans. The formula takes into account law school loan assistance applicants have received from other sources. The amount of assistance is determined after the annual allocation of funds for this program have been determined, and after applications have been received from all interested staff attorneys. The formula and amount of assistance are subject to change annually, depending on the availability of funds and the aggregate extent of need shown on the annual applications. To avoid undue complexity and intrusiveness, neither the income of other members of an applicant's household, nor other debts of the applicant or other household members, will be taken into account to determine eligibility. Eligibility is limited to attorneys who were employed for some or all of the program year.

Application Procedure: In agreement with the Bar Foundation, the financial office of NH Legal Assistance processes applications for assistance for all four agencies. On or about May 1 of each year, NHLA will provide an annual application to all staff attorneys at NHLA, LARC, DRC, and Pro Bono. Each agency will advise newly hired attorneys of their potential eligibility for the program. New attorneys must apply within thirty days of the first day of their employment to be considered for assistance during the current loan program year. All attorneys who want to participate in the Program must complete an application, which shall include:

- a list of law school debts, including the name of each lender for each loan, the month and year repayment of each loan began (or is scheduled to begin), the total outstanding balance, and the dollar amount of monthly/quarterly payments;
- information regarding the attorney's participation in any other loan forgiveness program, and the amount of any assistance received.

Recommendations Forwarded to Bar Foundation. NHLA's financial office will process applications with the confidentiality accorded to employee personnel records. After compiling the total amount of requests for assistance and determining the amount of forgivable loans that can be offered to the applicants given the total available through the Program on or before August 1.

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For each Program year, the initial allocation recommendations will total 80% of the funds available for the year, reserving 20% for staff attorneys who may be hired during the current year or for other unforeseen contingencies. NHLA's financial office will forward recommendations to the Bar Foundation for allocation of the remaining 20% during the course of the Program year, taking into account any new applications, the departure of current recipients, and other factors. Depending on the circumstances, additional assistance may be provided to current recipients.

Final Decisions and Issuance of Loans. The Bar Foundation will make the final decision concerning eligibility for loans and the amount issued under this Program. Applications received during the course of the Program year will receive decisions within sixty days of receipt by the Bar Foundation of a recommendation from NHLA's financial office. Such applicants will execute loan documents at the earliest convenience of the Bar Foundation.

Loans Discharged: Loans under this Program will be discharged by the Bar Foundation upon certification that the recipients have provided services to NHLA, LARC, DRC or Pro Bono. The loans granted by the Bar Foundation will be forgivable to the extent that the recipient is employed by NHLA, LARC, DRC or Pro Bono and is providing legal services to low income and elderly clients. At the end of the Program year, NHLA, LARC, DRC and Pro Bono will confirm that loan assistance recipients have met this condition in whole or in part. The Bar Foundation will then forgive the loans it has issued, forgiving one quarter of each annual loan for each quarter of service provided during the applicable Program year. The Bar Foundation will notify each recipient of the extent of loan forgiveness on or before August 1 after the end of a Program year.

Federal Income Tax Liability. The Bar Foundation and the four legal services programs intend and believe in good faith that the discharge of loans issued by the Bar Foundation under this Loan Forgiveness Program would not create taxable income for loan recipients under the Internal Revenue Code because of the exemption provide by 26 U.S. C. 108(f), and in particular the 1998 amendments to that section that apply to loans discharged after August 5, 1997. The Bar Foundation is a non-profit refinancing agency under the last sentence of Section 108(f), and NHLA, LARC, DRC and Pro Bono are non-profit agencies where the public service is being performed to meet unmet needs as required by Section 108(f)(2)(D)(ii).

Notwithstanding the above, each recipient is responsible for determining her/his own federal income tax liability and making all required disclosures to the Internal Revenue Service and any other taxing entity.

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