

# VERMONT BAR FOUNDATION LOAN REPAYMENT ASSISTANCE PROGRAM

## Program Description

The Vermont Bar Foundation (VBF) is a charitable organization that supports programs that promote access to justice in Vermont. VBF's statewide Loan Repayment Assistance Program (VBF-LRAP) provides loan assistance for licensed attorneys employed in non-profit organizations dedicated to serving the civil legal needs of low-income individuals and families in Vermont or employed by the Office of the Defender General. This program is designed to assist attorneys who have incurred significant educational debt so they can work in civil legal aid programs or in the Office of the Defender General.

The goal of VBF-LRAP is to assist attorneys who choose and wish to remain in employment in civil legal aid, or in the Office of the Defender General, and to assist civil legal aid organizations and the Office of the Defender General in recruiting and retaining qualified lawyers. VBF- LRAP directs assistance in the form of a forgivable loan to applicants who would otherwise be precluded from accepting qualifying employment or who would be unable to continue to work in qualifying employment because of salaries that do not support their student loan debt burden.

## Eligibility

- a. **Licensure.** All participants must be licensed to practice law in the State of Vermont.
- b. **Employment.** Participants must be employed by a qualifying employer. Participants may be employed full-time or part-time. Assistance to part-time attorneys shall be pro-rated. For example, attorneys who work four days per week receive 80 percent of the assistance for which they would be eligible if they were full-time. The list of organizations approved by the VBF as qualifying employers is attached as Attachment 1. Other organizations may apply for approval to the VBF Board of Directors.
- c. **Financial Eligibility.** A participant's salary may not exceed \$60,000.
- d. **Eligible Loans.** Undergraduate, graduate and law school loans will be considered in determining the amount of assistance. Family and personal loans are excluded. Also excluded are loans for other than educational purposes.

## **Assistance**

A maximum loan of \$5,000 per year may be awarded to each approved participant. Loan assistance shall be paid twice a year directly to the participant on a prospective basis. The number and amount of awards may be limited in the discretion of the Grants Committee of VBF-LRAP.

## **Application and Verification Procedures**

Applications must be completed with the required documentation and submitted to the VBF by the deadline for consideration. The Grants Committee of VBF-LRAP reviews and makes decisions regarding eligibility and amounts of assistance. All information submitted in the applications is confidential.

If given an award, the participant shall submit documentation regarding employment and proof of loan payments every 6 months in compliance with the conditions and deadlines in the award letter.

Any financial or employment status changes shall be reported immediately by the participant to the VBF.

## **Notification to Applicants**

All applicants will be notified by mail of the results of their application.

## **Loan Disbursement to Participants**

VBF-LRAP assistance must be used by the participant to pay educational loan debt. Assistance will be disbursed in the form of a check equaling one-half of the total annual award amount. In order to receive the second check, the participant must submit proof of educational loan payments equaling half of the annual award amount during the first 6 months of the award cycle. Program assistance will, in no instance, be more than the amount of loan repayment paid by the participant.

## **Eligibility Changes**

### **a. Participant's Salary Exceeds \$60,000 During Award Cycle**

If a participant's salary is increased to more than \$60,000 during an award cycle, the participant shall remain eligible for assistance during that award cycle and there will be no change in the award amount.

### **b. Participant Terminates Qualified Employment**

Assistance shall cease when a participant terminates qualified employment. Participants that terminate qualified employment during an award cycle shall re-pay assistance that is not forgiven.

**c. Participant Changes Employment to Another Qualified Employer**

If a participant changes employment to another qualifying employer during an award cycle, the participant's eligibility will be reviewed by the VBF. If the participant's salary with the new employer exceeds \$60,000, the participant shall remain eligible for assistance during the current award cycle and there will be no change in the award amount.

**d. Former Participants**

Former participants may apply in future award cycles if they have qualifying employment and income.

## **Discharge of Loans**

Each loan shall be documented by means of a promissory note executed by the borrower in a form provided by the VBF. The loans given by the VBF will be forgivable to the extent the participant meets all applicable employment, income and other program requirements during the applicable program year. The VBF will forgive the loan at the end of the annual award year.

## **Federal Income Tax Liability**

The VBF attempted to design this program to provide the maximum potential tax benefit to participants under changes in 1997 to Sections 108(f) of the Internal Revenue Code. The VBF believes it has structured this program so that the loan amounts forgiven by the VBF are not considered taxable income to the recipient, and thus do not have to be reported as such. However, there is very little authoritative legal guidance available to determine with certainty the proper tax treatment of this structure. The recipient remains solely responsible for any federal, state or local income tax liability s/he may incur because of the forgiveness of the VBF loan.

## **Contact Information**

All inquiries and correspondence about the program, including application procedures and deadlines, should be directed to:

Deborah Bailey, Executive Director  
Vermont Bar Foundation  
P.O. Box 1170  
Montpelier, VT 05601-1170  
Phone: 802 223-1400, Fax: 802 229-4051  
dbailey@vtbarfoundation.org

VBF-LRAP Qualifying Employers

Disability Rights Vermont  
Have Justice-Will Travel, Inc.  
Legal Services Law Line of Vermont  
Office of the Public Defenders, (Employees)  
Safeline  
South Royalton Legal Clinics of Vermont Law School  
Spectrum Youth and Family Services  
Vermont Legal Aid, Inc.

VERMONT BAR FOUNDATION  
Loan Repayment Assistance Program (VBF-LRAP)  
APPLICATION

**This application and all supporting documents must be received by mail or hand delivery by June 22, 2016. Complete applications should be sent to:**

Deborah Bailey, Executive Director  
Vermont Bar Foundation  
35-37 Court Street, P.O. Box 1170  
Montpelier, VT 05601-1170  
Phone: 802 223-1400, Fax: 802 229-4051  
dbailey@vtbarfoundation.org

Please print or type (in bold) your answers.

**Section A - Applicant Information**

Name: \_\_\_\_\_

Home Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Undergraduate degree from: \_\_\_\_\_

Graduate degree from: \_\_\_\_\_

Law degree from: \_\_\_\_\_

Law school graduation year: \_\_\_\_\_

Clerkship completion year: \_\_\_\_\_

License number: \_\_\_\_\_

If not licensed in Vermont, when did you take the Vermont bar exam? \_\_\_\_\_

(Applicant must have taken and passed the Vermont bar exam prior to applying)

Are you receiving or do you expect to receive assistance from another LRAP during the period of July 1, 2016 to June 30, 2017?      Yes      No

If yes, from which program and how much assistance will you receive?

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(The Foundation does encourage you to apply for school and/or federal LRAP.)

Did you file a Federal Tax Return for 2015?      Yes      No      If so, please attach a copy of your return to your application.

Provide any other information you believe is relevant about your circumstances, including additional information regarding any other financial burdens you have that may impact your financial stability during the award year.

**Section B - Educational Debt**

Loans eligible for repayment assistance are any loans for your education obtained for tuition, educational expenses, or living expenses from a college, university, government, or commercial source. Please list all of your eligible loans.

Lender/Service: \_\_\_\_\_

Outstanding balance: \_\_\_\_\_ Monthly Payment: \_\_\_\_\_

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Lender/Service: \_\_\_\_\_

Outstanding balance: \_\_\_\_\_ Monthly Payment: \_\_\_\_\_

Lender/Service: \_\_\_\_\_

Outstanding balance: \_\_\_\_\_ Monthly Payment: \_\_\_\_\_

**TOTAL Outstanding Balance:** \_\_\_\_\_

**TOTAL Monthly Payment:** \_\_\_\_\_

## Section C – Certification

I understand that an application packet will not be considered complete unless the following documents are submitted:

1. **Application:** Complete and sign the VBF-LRAP Application form.
2. **Proof of Employment:** Complete the top portion of the *Employment Verification* form and have your employer completely fill out the lower portion of the form.
3. **Proof of Loans:** Complete the top portion of the *Lender Verification* form for each loan and have your lender completely fill out the lower portion of the form. **Recent account statements that contain all the pertinent loan information may be submitted instead of the *Loan Verification* form.**

I understand that I have an ongoing obligation to inform the VBF immediately if I change employment.

I understand that the full application packet must be received by VBF by **June 22, 2016**.

I understand that all awards are subject to the availability of funds.

All the information on this application is true and complete to the best of my knowledge. If asked by the Vermont Bar Foundation, I will provide proof of the information I have given on this application.

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Signature of Applicant

Date

**VERMONT BAR FOUNDATION LOAN REPAYMENT ASSISTANCE PROGRAM**  
**Award Year 2016-2017**  
*Employment Verification*

**Section A - Release (to be completed by applicant)**

Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_ MI: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

I authorize my employer to provide the employment information requested by the Vermont Bar Foundation.

\_\_\_\_\_  
Applicant's Signature Date

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**Section B - Employment (to be completed by employer)**

The above named employee has applied for the Vermont Bar Foundation Loan Repayment Assistance Program. Please complete the following section and return this form to the employee.

Job Title of Employee: \_\_\_\_\_

Date of Hire: \_\_\_\_\_

Employment Status: \_\_\_ Full-time \_\_\_ Part-time      Number of hours worked per week: \_\_\_\_\_

Anticipated Annual Gross Salary \$ \_\_\_\_\_

Name of Organization: \_\_\_\_\_

Office location (city/town) of employee: \_\_\_\_\_

I certify that the information provided above is true and complete to the best of my knowledge.

\_\_\_\_\_  
Signature of Executive Director Date

Printed name: \_\_\_\_\_

Telephone number: \_\_\_\_\_

E-mail: \_\_\_\_\_



**VERMONT BAR FOUNDATION LOAN REPAYMENT ASSISTANCE PROGRAM**

**Award Year 2016-2017**

**Loan Verification**

**Section A - Release (to be completed by applicant)**

***Note: Recent account statements that contain all the pertinent loan information may be submitted instead of the Loan Verification form. Otherwise, this form must be used for each of your loans.***

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_ MI: \_\_\_\_\_

Permanent Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

I authorize my lender, \_\_\_\_\_, to provide the loan information requested by the Vermont Bar Foundation.

\_\_\_\_\_  
Applicant's Signature \_\_\_\_\_ Date \_\_\_\_\_

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**Section B - (To be completed by the lender)**

Please return completed form to applicant.

Type of Loan: \_\_\_\_\_ Account Number: \_\_\_\_\_

Outstanding Balance: \$ \_\_\_\_\_ Type of Repayment Plan: \_\_\_\_\_

Monthly  Quarterly payment (Please check one)

Current Monthly or Quarterly payment amount: \_\_\_\_\_

This loan is:  Current  In default  In deferment

Name of Lender or Servicer: \_\_\_\_\_

Address of Lender or Servicer: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

I certify that the information provided above is true and complete to the best of my knowledge.

\_\_\_\_\_  
Signature of Official \_\_\_\_\_ Date \_\_\_\_\_

Printed Name of Official: \_\_\_\_\_

Title of Official: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_