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UNIVERSITY OF PENNSYLVANIA CAREY LAW SCHOOL
Toll Loan Repayment Assistance Program Guidelines

The University of Pennsylvania Carey Law School is committed to promoting the pursuit of public interest careers by its graduates. There is substantial concern that the pressures created by high student debt discourage graduates from pursuing careers and taking job opportunities in public service.

Since our loan repayment assistance program was launched in 1989, Penn Carey Law has provided generous support to public interest graduates in a number of fields. We confirm and continue that commitment to public service by Penn Carey Law graduates. It is the goal of ToILRAP to enable graduates to pursue public interest careers without regard to indebtedness by providing interest-free loans to help defray the costs of educational loans. ToILRAP provides forgiveness of the loans after each year the graduate is in public interest employment.

The Penn Carey Law Toll Loan Repayment Assistance Program is made possible through the generosity and support of our alumni, especially Robert (L’66) and Jane Toll. Effective November 2012, the following guidelines apply to the Program:

I. Eligible Graduates

University of Pennsylvania Carey Law School J.D. graduates who meet the requirements of these guidelines are eligible for Toll Loan Repayment Assistance Program (ToILRAP) for ten calendar years following graduation.

Eligibility ceases on January 1 of the 11th calendar year following graduation. Exceptions to the deadline will be made for graduates eligible for an extension as described below. Within the years of eligibility participants may leave ToILRAP and later re-apply. During employer-approved short-term leaves participants continue to remain eligible for ToILRAP assistance and do not have their ten-year eligibility extended. A short-term leave is one in which a graduate remains an employee of the organization and must be no longer than six months in duration.

A. Eligibility extensions. The ten-year post-graduation eligibility deadline may be extended for up to a total of two years if an applicant was ineligible for ToILRAP during the post-graduation ten-year period for one or more of the following reasons:

(1) involuntary unemployment;
(2) unemployment due to caring for a dependent minor child;
(3) unemployment due to graduate’s illness or disability or due to graduate caring for an immediate family member, including parents, spouse or domestic partner with an illness or disability;
(4) unemployment due to attendance in a post-graduate education program;
(5) employer with a law firm-sponsored service program; or

ToILRAP participants who were employed as a judicial clerk will be eligible for up to two years of clerking to be applied towards the three years required to vest in ToILRAP Plus for participants in ToILRAP II (see below). Vested participants will automatically become participants in the ToILRAP Plus program, a program which provides additional awards (see below).
Graduates are not eligible for TolLRAP assistance while participating in law firm-sponsored service programs, whereby the graduate works at a public interest organization on a temporary basis while receiving a salary from the firm. However, if the graduate’s temporary position is at least 6-months long, this time can be counted toward our vesting requirement for TolLRAP Plus awards. If the graduate plans to continue work in the public sector at any point after fulfilling the agreement with the firm, we recommend that they apply for TolLRAP at the start of the law firm-sponsored service program, so that this time frame can be counted toward our vesting requirement and so we can extend your TolLRAP eligibility for the time that you will be with the service program.

Other TolLRAP participants who qualify for an eligibility extension will receive no TolLRAP assistance during their leave. If the participant submits written notice to the TolLRAP Counselor of intent to return to eligible employment, the participant need not begin immediately repaying their TolLRAP loan during the two-year period. If the participant does not return to eligible employment within two years, all non-forgiven loans must be repaid over the ensuing ten year period. Participants must notify the TolLRAP Counselor within 15 days if he or she no longer intends to return to eligible employment.

II. Eligible Employment

To qualify as eligible for TolLRAP, an applicant’s job must be law-related public interest work. Law-related public interest work means the job must substantially utilize the legal training and skills that the graduate obtained in law school.

Public interest work is defined as employment by:

1. a nonprofit organization or institution, including international or foreign NGOs or organizations, whose primary purpose is to serve or advocate on behalf of individuals or organizations whose interests, for various economic, political or social reasons, are not adequately represented by the private sector or the government;
2. the U.S. federal government or a state, local, or tribal government. Term-limited judicial clerkships (typically of one or two year duration) are not eligible for TolLRAP. Permanent or career clerk positions are eligible if:
   a. the applicant has held a clerkship with any court for two full years prior to the date of applying for TolLRAP;
   b. the applicant can document that his or her current employment status with a local, state, or federal court is a permanent position, and can provide official documentation of the exact date that the position became permanent. Graduates who meet both requirements may apply for TolLRAP payments beginning on July 1, 2018. Applicants who are approved will not be eligible for retroactive payments for permanent employment that began prior to July 1, 2018.
3. a law school as a clinical law teacher if the position substantially involves advocacy on behalf of individuals or organizations not adequately represented by the private sector or the government; or
4. a for-profit employer, including self-employment, if the employment meets two further requirements:
   a. the position is intended to further the public interest, and
   b. at least 51 percent of the work done by both the organization and the participant will involve provision of legal services at no fee, a reduced fee or fees for court-appointed representations to individuals or organizations who are not adequately represented by the private sector or the government.
(5) other types of public interest work may be eligible and will be reviewed on a case by case basis.

All employment will be approved after an individual review of the applicant’s employer and work by the TolLRAP Committee. To insure that employment is eligible, graduates may be required to share the job description for their position and information about the goals and work of their organization. TolLRAP Awards will not be made until the month that a recipient begins eligible employment.

A. Temporary and part-time employment. Eligible employment includes fellowships and other temporary positions that are expected to last at least 12 months. Part-time employees are expected to work a minimum of 17.5 hours per week based on a 35 hour work week or half of full-time for your position with this employer, whichever is greater.

B. Volunteers. Graduates pursuing employment by volunteering with an eligible employer may be eligible for TolLRAP. Eligibility will be determined on a case by case basis and is at the discretion of the Administrative Committee. Two additional requirements for a volunteer applying for TolLRAP assistance are as follows:

1. the applicant must work for an eligible employer at least part-time, as defined above, for one year and
2. the applicant must provide TolLRAP with a letter from the eligible employer stating that the employer hopes to be able to offer the applicant a paid position when funding becomes available.

In addition, TolLRAP II volunteer participants will be paid based upon the IDR payments for their actual income. TolLRAP II volunteer participants will be eligible to apply time spent as a volunteer towards the three years required to vest in TolLRAP Plus for participants in TolLRAP II (see below).

III. Eligible Loans

All members of the class of 2013 and later classes will be eligible for TolLRAP II. Members of the class of 2012 who apply for assistance after January 1, 2017 will be enrolled in TolLRAP II.

Loans must be in repayment status to be eligible for TolLRAP assistance. Assistance cannot be determined if a loan is in a grace period, forbearance or deferral at the time of application. Awards will be determined based only on the actual loan payments made during the assistance period.

All federal loans (law school, undergraduate and other graduate) that are eligible for a qualifying income driven repayment plan such as Income Based Repayment (IBR), Pay As You Earn (PAYE), or Revised Pay As You Earn (REPAYE) are eligible for the calculation of TolLRAP II assistance. Federal Loans ineligible for one of the above income driven repayment plans, may also receive limited assistance as described in our Assistance Calculation section. Private loans are generally ineligible for the calculation of TolLRAP II assistance, with the possible exceptions listed below. Applicants with these types of private loan exceptions should contact a TolLRAP Counselor for more information about the eligibility and treatment of these loans:

1. Up to $10,000 in private loans for bar-related expenses;
(2) Private loans, as described under TolLRAP I (see TolLRAP I guidelines), taken by an applicant because the applicant was ineligible to borrow federal loans; and 
(3) Private loans, as described under TolLRAP I (see TolLRAP I guidelines, of 2012, 2013, and 2014 graduates who borrowed private loans prior to the school year beginning Fall of 2012.

IV. Income Eligibility

Income eligibility is decided based upon the salary an applicant expects to earn from their eligible employment in the coming year or from income reported for the purpose of obtaining IDR for the assistance period for which the graduate applies.

Penn Carey Law hopes and expects that graduates recognize that this program is intended to enable graduates to pursue public interest careers without regard to indebtedness and need is an important factor in granting awards. The continuation of this program and other financial aid programs at the University of Pennsylvania Carey Law School are dependent on the generosity of our alumni. Penn Carey Law hopes that participants whose salary and income increases in the future will be able to contribute to the TolLRAP fund so that other deserving graduates will have the benefit of TolLRAP money.

Only the graduate’s income reported for the purpose of obtaining IDR for the assistance period is counted as income for the purpose of determining awards. However, to determine salary-based eligibility for TolLRAP II, the Program will use the graduate’s expected income for the assistance period as memorialized in the Employment Verification form. The TolLRAP administrator can in certain circumstances apply standard cost of living adjustments using the previous year’s documented income. TolLRAP II has a salary cap of $111,000. In addition, graduates with salaries between $93,001 and $111,000 are eligible to apply their time spent working towards the three years required to vest in TolLRAP Plus and to receive TolLRAP Plus awards, as provided in the schedule below. However, they are not eligible for TolLRAP II IDR-based awards. Graduates who meet the eligibility requirement to participate in TolLRAP as volunteers are eligible to apply time spent as a volunteer towards the three years required to vest in TolLRAP Plus and to receive TolLRAP Plus Awards, as provided in the schedule below.

A. Married applicants filing federal tax returns jointly. Your filing status on your federal tax return will have an impact on your IDR payment amount. To determine your IDR payment when filing jointly, the government will calculate your payment using the joint income reported on your federal tax forms. In most cases, this will increase your IDR monthly payment. Married borrowers who file separate federal tax returns could have their IDR payments calculated based on their individual income, depending on the type of IDR plan you are enrolled in.

Graduates will receive assistance from TolLRAP II based on their portion of the IDR payment if filing jointly (not based on the joint income). TolLRAP II awards will be calculated using the income documented in the Employment Verification Form. This could result in a payment from TolLRAP which is less than your required monthly IDR payment as required by the government.

Applicants should consider all financial ramifications carefully when determining your federal tax filing status. Consulting a tax advisor is recommended.
V. Assistance Calculation

The graduate will receive TolLRAP assistance for the full payment of his/her federal loans in an eligible Income Drive Repayment Plan (IDR). If the graduate’s federal loans are not in an eligible IDR plan but would otherwise meet the eligibility requirement, the graduate’s assistance will be calculated as if his/her federal loans are in an IDR plan; however, awards will be capped at the lesser of the IDR calculated payment or the actual loan payment. If the graduate’s debt level is too low to qualify for an eligible income driven repayment plan, the graduate can receive the lesser of 50% of the IDR and the TolLRAP PLUS calculated payment or 50% of the actual loan payment submitted for evaluation. Penn Carey Law retains the discretion to limit the amount of funding to participants ineligible for an approved IDR program. Awards will be issued based on availability of funds for a given year.

For Private Bar Loans up to $10,000, the graduate will be paid out based on a 10-year loan repayment plan, as of the time the loans were taken out, with a maximum annual payment of $1,400. When a bar loan cannot be taken on a term of 10 years, it will be pro-rated based on a 10 year schedule and at the interest rate reported at the time of the application.

If you are a member of TolLRAP II class with other private loans, please contact the TolLRAP Counselor.

A. TolLRAP Plus Eligibility. In addition, participants in TolLRAP II, will be eligible for TolLRAP Plus. TolLRAP Plus provides support to graduates for their continuing and sustained service. After three years participating in TolLRAP II, participants will become vested in TolLRAP Plus. Graduates transferring from TolLRAP I to TolLRAP II must spend at least two years in the TolLRAP II program to be considered vested and will begin TolLRAP Plus awards at the Year 4 level. Graduates that transfer out of TolLRAP I will not be readmitted to the TolLRAP I program. Vested participants will automatically become participants in the TolLRAP Plus program, a program which provides additional awards based on the TolLRAP Plus Schedule. Up to two years of clerking can be counted towards the vesting of TolLRAP for eligibility in TolLRAP Plus. TolLRAP Plus amounts are an addition to the TolLRAP II IDR-based Awards.

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VI. Application Process

The regular TolLRAP assistance period is January 1 through December 31. Applications from applicants who are currently receiving TolLRAP assistance are due by November 1 for assistance for the following year.

A. Applicants not currently receiving assistance. Applicants, who are not currently receiving TolLRAP assistance because they never received assistance or because they are not receiving assistance in the current period, may apply at any time they are eligible. New applicants are eligible to receive a TolLRAP Award when they meet two requirements:
   (1) They have accepted and begun eligible employment; and
   (2) Their eligible student loans are in repayment status.

New applicants may apply as soon as they know their salary and start date and can provide loan documentation. New applicants will receive pro-rated assistance for the period of their entry in the TolLRAP program through December 31st. Once applicants have been accepted into TolLRAP, if they want to continue to remain in the program, they must re-apply by November 1 for assistance for the following year.

B. Applicants on a fellowship. Applicants on a fellowship with a certain term of one year or more, or other applicants with positions with a certain term one year or more that run for a period other than a calendar year, may be directed to apply on a different cycle than the regular cycle.

C. Application documents. Applications are available at https://www.law.upenn.edu/careers/toll-loan-repayment.php. Applicants are expected to present the following documentation:

- On-line Application Form
- Loan Documentation. Statement of IDR Payments, and/or, if applicant is not in IDR or is seeking assistance with private loans, the Loan Documentation must show: loan servicer, monthly payment amount, number of months of payments due for the loan/term of years, original amount borrowed, and current loan status. Proof of past payments will not be accepted as evidence of payments due for the coming year.
- Employment Verification including statement of salary.
- For first time applicants: W-9.
- For current recipients: Most recent tax return and W2.

Other documentation may be requested where necessary to determine eligibility.

Applicants with “$0” payment for IDR, should submit the full application to have the year included toward vesting in TolLRAP Plus or be eligible for a TolLRAP Plus Award. Applicants making $93,001-$111,000 should submit the full application to have the year included toward vesting in TolLRAP Plus or be eligible for a TolLRAP Plus Award. Other documentation may be requested where necessary to determine eligibility.
VII. Reporting Changes to Circumstances Outside of the Regular Application Cycle

Changes to a Recipient’s circumstances should be reported to the ToLLRAP Counselor within 15 business days. Changes that must be reported include, but are not limited to, changes in address, change of job, change in salary, disability leaves affecting eligibility, change of eligibility for dependent allowance if applicable, unemployment, change from full-time to part-time employment or other change in hours. Voluntary changes to a recipient’s loan payments that would result in an increased Award, including voluntary changes in interest rates or repayment term, will not be considered until the next application cycle.

Failure to notify the ToLLRAP Counselor of any changes in circumstance could result in the termination of assistance and/or the participant may be required to repay amounts previously awarded.

A. Amended assistance as a result of a change. Adjustments to ToLLRAP awards will be made if the reported change results in more than a 10 percent change in the assistance that should have been received. If a change results in an amended Award amount, it will be effective the date of the change and will be reflected in the next installment payment, if applicable. An amended Promissory note will be sent reflecting the change in the benefits and the total disbursements made for the calendar year.

VIII. Issuing of ToLLRAP Awards

For all applicants applying during the normal application period, ToLLRAP Awards will be issued to recipients in two equal installments. The first installment will be issued by Penn Carey Law the January following the application. The second installment will be issued by Penn Carey Law the June following the application. Penn Carey Law does not guarantee the receipt of funds for ToLLRAP Awards by recipients at any particular date.

Requests will be processed as soon as possible, but it may take up to eight weeks to issue a ToLLRAP Award letter after the re-application deadline and/or receipt of completed applications for new applicants. A promissory note will be issued with the ToLLRAP Award letter if the participant is awarded a loan through ToLLRAP. This note must be signed and returned to the ToLLRAP Counselor before funds will be disbursed.

IX. Repayment

If a participant should become ineligible for ToLLRAP before completing the term of service of one year or the period of time for which the graduate’s award was made, he or she will be responsible for repayment of that year’s ToLLRAP Award.

Penn Carey Law reserves the ability to waive repayment, including if a participant leaves within two months of the end of their ToLLRAP term. However, recipients need to be aware of possible tax implications (see below). Penn Carey Law may also seek a pro-rated repayment from participants leaving after they have begun their term of service. Recipients need to be aware of possible tax implications (see below). Additionally, for installments of ToLLRAP Awards that have not yet been issued, Penn Carey Law may choose to not make those award payments.
Although there is no legal obligation to repay the amounts forgiven under this program, Penn Carey Law hopes and expects that recipients recognize that the continuation of this program and other financial aid programs at the University of Pennsylvania Carey Law School are dependent on the generosity of our alumni. In addition, Penn Carey Law hopes that in the future participants will be able to contribute to the ToLLRAP fund so that other deserving graduates will have the benefit of ToLLRAP money.

A. Good Faith Unemployment. If a participant is laid off, has temporary employment come to an end, or otherwise loses their employment before the end of their term of service, and is not re-employed in eligible employment within 30 days, repayment of the ToLLRAP Loan is not triggered until twelve months from the date of the loss of eligibility or until the participant is re-employed, whichever is earlier. For those re-employed in eligible employment, the debt may be waived upon application.

X. Taxability of ToLLRAP Assistance

Graduates who participate in ToLLRAP will receive interest-free loans that are forgiven at the end of the term of service in eligible employment of one year or the period of time for which the graduate’s award was made. ToLLRAP Awards must be applied by the recipient towards loan payments to be considered as tax exempt by the Federal Government. Participants should check with their tax advisors regarding taxability of the forgiveness of these loans. Section 108(f) of the Internal Revenue Code (IRC) details the requirements for tax-free forgiveness.

ToLLRAP assistance received by graduates employed by a foreign organization that is not based in the U.S. may be taxable. The ToLLRAP Counselor will review applications for additional assistance based on these tax consequences on a case by case basis. ToLLRAP assistance received by graduates who are volunteers for an eligible employer or employed by the University of Pennsylvania may also be taxable.

A. Taxability of loans when term of service is not met. Participants should check with their tax advisors regarding eligibility for forgiveness of ToLLRAP loans when the term of service is not met.

XI. ToLLRAP Administration

The Law School Financial Aid Office will act as the ToLLRAP Counselors and receive, review, and manage applications. The Loan Office of University of Pennsylvania is responsible for administering loan collection for ToLLRAP and maintains uniform policies and procedures governing loan administration.
A. Principles governing loan disbursement. The Administrative Committee retains the discretion to limit the loan amount to $14,000 for graduates whose salary and indebtedness would otherwise entitle them to a loan in excess of $14,000. This discretion is to be exercised in the event that the total amount of loans applied for in a particular year threatens to exhaust available funds. Awards will be issued based on availability of funds for a given year.

B. Changes to TolLRAP. The Law School reserves the right to modify TolLRAP prospectively at any time without altering the current terms of the TolLRAP program.

The Administrative Committee includes representatives from the Toll Public Interest Center, from the Admissions and Financial Aid Office, from the Office of Business Affairs, the Vice Dean for Administration, Career Planning and Professionalism, and additional members as appointed by the Dean. The Administrative Committee will provide review and oversight of the TolLRAP program. The Administrative Committee is authorized to resolve all other questions that arise under these guidelines.

The Administrative Committee will review and evaluate TolLRAP, income eligibility, interest rates, cost of living adjustments, loan forgiveness, reserve and other features of TolLRAP, measuring them against the policy objectives of the TolLRAP program and the resources available to support TolLRAP. Reviews will be conducted annually or on an as-needed basis.

C. Appeals to TolLRAP Awards and determinations. TolLRAP applicants and recipients who receive a TolLRAP Award or determination regarding their eligibility, income, indebtedness, the amount of their TolLRAP Award or TolLRAP Plus, or other TolLRAP-related matters from the TolLRAP Counselor may request a review by the Administrative Committee. All requests for review should be made in writing to the TolLRAP Counselor and should include a statement of all issues and facts that the applicant or recipients would like reviewed.