

JOHN R. JUSTICE STUDENT LOAN REPAYMENT PROGRAM

APPLICANT FAQs

1. Are there limitations regarding the number of years an attorney has been practicing?

There are no statutorily- or Bureau of Justice Assistance (BJA)-imposed limitations regarding the number of years an attorney must practice before becoming eligible to apply for loan repayment benefits. The states, however, have the discretion to impose such a limitation if they so choose. South Carolina does not currently impose a limitation on years practicing to be eligible to apply.

2. What is considered full-time employment for the purpose of this solicitation?

Full-time employment is considered “not less than 75 percent of a 40-hour work week” for the purpose of this program.

3. Does a person have to be employed full-time at the time of selection to be eligible?

No, an applicant must be a “full-time employee” of a state or unit of local government (in the case of “prosecutors” or a “full-time employee” of a state, unit of local government, qualifying non-profit organization (under 42 U.S.C. §3797cc-21(b)(2)(B)(ii)) or qualifying full-time federal defender (under 42 U.S.C. § 3797cc-21(b)(2)(B)(iii)) prior to actual receipt of benefits.

4. Are attorneys who handle appellate-level criminal or juvenile delinquency case work eligible for this program?

Yes, provided they otherwise meet the definition of a full-time “prosecutor” or “public defender” under the statute and guidelines.

5. Which Service Agreement should I sign?

Please review the Application Packet for descriptions of each Service Agreement and to review each Service Agreement. **Appendix A Service Agreement** is for First-time Applicants; by signing the Service Agreement, the applicant is acknowledging the program requires that he or she remain employed as an eligible prosecutor for the term described therein. **Appendix B Acknowledgment of Benefit** is for applicants who are prior recipients and have not yet completed the original three-year term of service; the Acknowledgment of Benefit states that additional JRJ Student Loan Repayment Program award payments are being made on the applicant’s behalf. The benefit of the award is in the form of a loan that must be repaid if the service commitment is not fulfilled. **Appendix C Service Agreement for a Secondary Term of Service** is for applicants who are prior recipients and have completed their original three-year term of service; the Service Agreement for a Secondary Term of Service requires the applicant to complete one additional year of service as an eligible prosecutor or public defender in exchange for repayment benefits.

6. I am switching jobs and need to repay my award, what do I do?

Please review the Application Packet Part I and relevant Service Agreement. As soon as a JRJ Student Loan Repayment Program Recipient (JRJ Recipient) is aware of separation from eligible employment, they must inform the South Carolina Commission on Prosecution Coordination. Consistent with the terms of the JRJ Service Agreement, in the event a JRJ Recipient leaves a position as an eligible beneficiary, whether voluntarily or involuntarily for misconduct or unacceptable performance prior to completion of the agreed upon period of service, the recipient will be indebted to and must reimburse the federal government for the full amount of any

awards received under this solicitation and any prior solicitations under which the JRJ Recipient is still serving under a Service Agreement. A JRJ Recipient who is separating from their qualified employment must send payment in the total amount of the JRJ Student Loan Repayment benefits that have been made on their behalf as a JRJ Recipient to the Office of Justice Programs (OJP) Office of the Chief Financial Officer (OCFO). The mailing of the payment must include: (i) a notation of the applicable Grant Number from which the funds were derived; (ii) the amount from the grant; and (iii) a note stapled to the check with the award number(s) and amount(s) awarded from the award for which they were unable to meet their term obligations. This communication should be mailed to: U.S. Department of Justice, Office of Justice Programs, Office of the Chief Financial Officer (Attn: Accounting Control Branch), 810 Seventh Street, N.W. Washington, DC 20531. JRJ RECIPIENTS ARE STRONGLY ENCOURAGED TO CONTACT THE UNITED STATES DEPARTMENT OF JUSTICE, OFFICE OF JUSTICE PROGRAMS OFFICE OF THE CHIEF FINANCIAL OFFICER ACCOUNTING CONTROL BRANCH TO CONFIRM THE MAILING ADDRESS PRIOR TO MAILING REPAYMENT. JRJ Recipients seeking a waiver of repayment obligations by the United States Attorney General should contact the Bureau of Justice Assistance and the United States Department of Justice for more information. JRJ Recipients may also contact the South Carolina Commission on Prosecution Coordination (asanchobaker@cpc.sc.gov) for additional information regarding repayment of funds.

7. I am moving to another state where I will also be a prosecutor/public defender. Am I still eligible?

No. If, after receiving any JRJ award, a current JRJ Recipient changes their state of employment that individual will no longer be eligible to continue to receive JRJ awards from the original award-making state.

8. When does my term of service under the Service Agreement begin?

The effective date of the JRJ Recipient's obligation to remain employed for 3 years as a qualifying "prosecutor" or "public defender" begins on the date that they first enter into duty (as such qualifying "prosecutor" or "public defender") after executing the Service Agreement. The effective date of any Service Agreement subsequently entered by the JRJ Recipient (pursuant to 42 U.S.C. §3797cc21(e) ("Additional agreements")) will be the day following the expiration of the prior service obligation. JRJ Recipients may not credit any service as a public defender or prosecutor prior to execution of the agreement toward the service obligation.

9. Can I receive credit for years of prior service as a public servant?

No. JRJ Recipients may not credit any service as a public defender or prosecutor prior to execution of the agreement toward the service obligation.

10. If I received a grant last year, am I obligated to six years of service (three years plus another three years)?

No. A JRJ Recipient may receive renewal grants in the subsequent second and third years without extending the original three-year Service Agreement obligation period. In cases where a current JRJ beneficiary has not yet fulfilled his/her initial three-year service obligation and receives continued funding, the JRJ beneficiary must sign and submit the Acknowledgment of Benefit form acknowledging that he/she continues to remain bound by the terms of the service agreement signed in the first year.

11. I have completed my initial three years of service; may I still apply?

Yes. Upon completion of the original three-year service obligation, the JRJ beneficiary may exit the program or, if selected to receive additional JRJ benefits, should execute the JRJSLRP – Secondary Term of Service document which commits the beneficiary to an additional service obligation of not less than 12 months in exchange for those additional benefits.

12. What if I don't know if my student loans are eligible?

Contact your loan servicer or visit the National Student Loan Data System https://nsldsfp.ed.gov/nslds_FAP/.

13. I have an overdue payment for my eligible loan, or my eligible loan is in “deferment” or “forbearance” status; am I still eligible?

Loans in forbearance and deferment are eligible. For past due payments, the terms of the qualifying loan will control: if “past due,” “deferment,” “forbearance” or another similar status is not the equivalent of a “default” under the terms of the qualifying loan, then neither will it disqualify the person from eligibility under the JRJ statute. JRJ Award Recipients are, however, required to notify the South Carolina Commission on Prosecution Coordination of a “default” status and failure to do so will be considered a breach of the service obligation agreement.

14. Are there tax consequences to receiving an award under this Program?

The Bureau of Justice Assistance and the South Carolina Commission on Prosecution Coordination do not provide legal or financial advice on tax issues. Beneficiaries of John R. Justice Student Loan Repayment Program benefits remain responsible for and should consult with their tax advisors for advice on, any tax obligations resulting from benefits paid on their behalf. The Internal Revenue Service (IRS) has provided a response to BJA’s John R. Justice (JRJ) Tax Issue inquiry made on December 9, 2010. The information regarding any tax liability associated with receiving a repayment award is available at: https://www.bja.gov/ProgramDetails.aspx?Program_ID=65.

15. When will I receive my award?

Award payments are sent directly from the South Carolina Commission on Prosecution Coordination to the loan servicer the JRJ Award Recipient indicates on their application and award acceptance form.

16. Can I remain in the program if I change jobs?

YES, if your new (full-time) position and employer meet the definitions above, and there was no break in qualified employment. Please note that part of the definition for eligibility includes the employment taking place in the State of South Carolina.

17. Will receiving an award under the JRJ Student Loan Repayment Program impact my eligibility under the Public Service Loan Forgiveness Program?

While the publicity of the availability of other federal student loan repayment plans (e.g., the Income-Based Repayment (IBR), Public Service Loan Forgiveness (PSLF), and other available loan repayment assistance programs (LRAPs)) is obviously encouraged, BJA also endorses coordination by JRJ administering agencies (to the greatest extent possible) of such programs to promote the optimum benefit to the recipient. The following provides an example of how lump sum payments and monthly payments of JRJ benefits may interplay with the PSLF program and may provide an opportunity to improve coordination: It is BJA’s understanding that in order to be eligible for the PSLF program, a borrower must make 120 “separate, monthly” payments. When a loan servicer receives a lump sum payment – which is to say, a payment in excess of what the borrower is obligated to pay for the month – the loan servicer assumes that the excess, while immediately applied to reduce outstanding interest and principal on the loan, is intended to cover future installments. When future installments are satisfied, the borrower is no longer obligated to make monthly payments for the number of months for which the installment has been fully satisfied. BJA understands that this may present two problems for individuals who receive both JRJ and PSLF benefits: • The first is that the lump sum payment, while satisfying more than one month’s payment obligation, is not a “separate payment”. Therefore, it can only count as “one” PSLF payment. • The second problem is that, by removing the borrower’s obligation to make future monthly payments, the borrower cannot, for those months, make a “monthly payment” in some cases – even if the borrower voluntarily remits money. The second problem can be remedied by providing application of payment instructions with the payment. Specifically, the payer/borrower could state that s/he does not intend to apply the excess toward future installments, which will ensure that the borrower continues to be obligated to make future payments over subsequent months. Each loan servicer should provide, on the billing statement, information regarding how the borrower/payer is to provide



payment instructions. Therefore, JRJ recipients may be advised (to maximize the amount of credit they may receive from PSLF program while working in employment that also entitles them to JRJ program benefits) to provide special payment instructions associated with their JRJ Program award. Borrowers should also be able to provide these instructions for a payment that has already been applied if it is done promptly after the payment is applied. This example is provided solely for illustrative purposes and should not be construed as financial advice. All grantees and beneficiaries should independently consult with the U.S. Department of Education (and/or other sources) to learn how receipt of JRJ benefits may affect awards through the Public Service Student Loan Forgiveness Program.