

KENTUCKY JOHN R. JUSTICE LOAN REPAYMENT ASSISTANCE PROGRAM

General

Q How much money is available for assistance?

A The U.S. Department of Justice, Office of Justice Programs has approved Kentucky's application for funding under the FY 10 John R. Justice (JRJ) Grant program in the amount of \$133,316; this will provide 48 awards to public defenders and prosecutors statewide in the amount of \$2,375 each.

Q How will my application be evaluated?

A The act contains very specific criteria for awarding JRJ grants. Prior-year Kentucky John R. Justice award recipients will be given priority consideration to receive funding during the second and third years of their three-year service agreement. Renewal of the application is not automatic. Prior-year recipients must apply during the application period. After awards are determined for renewal applicants and if JRJ funds have not been exhausted, the applicant's least ability to repay ratio will be calculated for each new applicant and the new applicants placed in rank order, highest need to lowest need. The top applicants in each district and sub-category will be selected as benefit recipients until all funds have been exhausted. All applicants will be notified by mail of the results of their application.

Q Will all eligible applicants receive an award?

A Due to a limited funding source and an anticipated high volume of requests, all eligible applicants are not guaranteed funding.

Q How will an applicant's rank order of need be calculated?

A Applicant's will be rank-ordered, highest need to lowest need, based on the Total Education Debt/Income ratio (TED/I) computed as follows:

Total Education Debt*

Applicant's adjusted gross income (AGI); or if married, household adjusted gross income**

* Total Education Debt – includes outstanding principal and interest for federal and private/alternative loans obtained by the borrower or spouse if income included. Parent Plus loans are not included.

** AGI – Adjusted Gross Income from IRS Form 1040.

Q I just submitted my application and supporting materials. When will I know if I have received an award?

A We anticipate notifying award recipients by January 20, 2012. Applicants who are selected as benefit recipients must sign and return to KHEAA within 30 days of the notification the award acceptance and service agreement.

Q Are there tax consequences associated with accepting an award through the JRJ Program?

A According to the Bureau of Justice Assistance (BJA), awards may be taxable to recipients. For additional information and guidance on tax consequences associated with the JRJ Program, please consult the IRS or a tax advisor.

KENTUCKY JOHN R. JUSTICE LOAN REPAYMENT ASSISTANCE PROGRAM

Q If I am selected for an award, will I receive a check for the amount?

A No. The JRJ Program requires awards to be paid directly to the loan servicer/lender. In the case of multiple loans, KHEAA will disburse monies directly to the servicer/lender identified by the award recipient.

Q If I am selected for an award, when will the money be disbursed?

A We anticipate disbursing monies directly to the servicer/lender as soon as the successful applicant submits the post-award paperwork.

Q If I am selected for an award, will I be able to renew the award next year?

A As originally envisioned, this year's award recipients will receive priority for renewal of awards next year and the year after (years two and three of the program). Renewal is not automatic. An applicant will need to apply during subsequent application periods. To renew benefits, an award recipient will not need to execute an additional service agreement or pledge more than the initial three years of service. The JRJ Program is subject to federal appropriation, and, as such, awards in future years are subject to the availability of funds.

Q If I am selected for an award, but I switch jobs in the next year, how will that affect my eligibility?

A It depends. To receive a JRJ award, you will have to execute the three-year service agreement. If you fail to complete the three-year requirement, you are subject to the penalty provisions contained in the service agreement. If your job change maintains your eligibility, you will still receive priority for renewal of benefits in years two and three of the JRJ Program.

Q Where can I get more information?

A For more general information, visit www.ojp.usdoj.gov/BJA/grant/johnrjustice.html. Please note that this website is to be used for general information. Each state has different criteria for administering the grant. For additional information regarding Kentucky's program, visit www.kheaa.com and select John R. Justice Loan Repayment from the Quick Tools.

Application

Q I work in Kenton County but live in Grant County. Which county should I use for the application?

A Please list your work county on the application, even if you live in another county.

Q Where can I obtain my "Student Access Financial Aid Review"? How long does it take?

A Your Student Access Financial Aid Review is available online at www.nsls.ed.gov. Access to this information requires a PIN, which can be obtained from the www.pin.ed.gov website. Plan ahead to ensure you have time to obtain the PIN before the application deadline. Instructions for accessing your loan information through NSLDS are included in the Application Packet.

Q The income stated on my Form 1040 is no longer reflective of my household situation. Can I request consideration of my current household income?

A Yes. If there has been a significant change in income since you filed your Form 1040, please explain in the appropriate space on the application. Additional documentation may be required.

KENTUCKY JOHN R. JUSTICE LOAN REPAYMENT ASSISTANCE PROGRAM

Q Can my employer submit the “employer verification” form directly to KHEAA?

A No. Please submit the employer verification form with your completed application packet. Do not ask your employer to submit this form separately.

Q Do I have to include information about my spouse’s student loan obligations?

A No. However, if your spouse’s income is included on your Form 1040 and you would like us to consider the amount your spouse’s educational loan debt when calculating your least ability to pay ratio, please include information about your spouse’s loans and any required documentation.

Q What documentation do I need to provide to verify my educational debts?

A A loan history from the National Student Loan Data System must be provided for each student loan you have outstanding. If your spouse’s income is included in the household AGI and you would like to include his/her student loans in the least ability to pay calculation, NSLDS documents must be provided for his/her loans as well.

Q Do I need to include attachments to the Form 1040?

A No. Form 1040 is sufficient by itself. If more information is needed to evaluate your application, we will contact you.

Eligibility

Q What types of employment qualify under the JRJ Program?

A **Prosecutor**—full-time employee of a state or unit of local 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). Prosecutors who are employees of the federal government are not eligible.

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 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 is 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 who provides legal representation to indigent persons in criminal or juvenile delinquency cases.

NOTE: 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 eligible.

Q What is meant by “full-time” prosecutor or public defender?

A According to BJA, full-time employment is considered “not less than 75% of a 40-hour work week.”

KENTUCKY JOHN R. JUSTICE LOAN REPAYMENT ASSISTANCE PROGRAM

Q Which loans qualify under the JRJ Program for awards?

A Federal student loans (both FFEL and Direct loans) are eligible for assistance; however, loans in default, Parent PLUS loans, and private, commercial, or alternative student loans are not eligible. Specifically:

Eligible Loans:

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

Ineligible Loans

- 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).
- A Federal Direct PLUS loan made to the parents of a dependent student.
- 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).
- Any loan in default.

Q What if I have other loans that do not qualify under the JRJ Program?

A You may include information about other educational loans in your application to be considered as part of your loan to income ratio. However, no awards will be paid on behalf of loans that do not qualify for the JRJ Program.

Q I don't have any qualifying loans under the JRJ Program, but I do have student loan obligations. Am I eligible for the program?

A No. The act is very specific in the types of loans eligible under the JRJ Program.

Q How does JRJ deal with loans that were consolidated with a spouse's student loans?

A Attorneys who consolidate 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. KHEAA will then 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.

Q My loans are currently classified in forbearance, not default. Am I eligible to apply?

A Yes. Loans in forbearance or deferment are eligible. Loans in default are not.

Service Agreement

Q Is executing the service agreement optional?

A No. Awards will not be disbursed until the service agreement has been signed by the recipient. This is a requirement of the act and not subject to modification.

KENTUCKY JOHN R. JUSTICE LOAN REPAYMENT ASSISTANCE PROGRAM

Q What happens if I leave my current employer before the three-year service agreement expires?

A Please refer to the language of the service agreement:

“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.”

Q Where can I find the service agreement?

A http://www.ojp.usdoj.gov/BJA/grant/JRJ_Service_Agreement.pdf

Q Do I need to include the service agreement with my JRJ application?

A No. If you are selected for an award, you will need to execute the service agreement prior to disbursement.

Q If I receive a JRJ award and wish to renew it next year, do I need to agree to an additional three years of service?

A No. A beneficiary may receive renewal grants in years two and three of the program without extending the original three-year service agreement. However, renewal is not automatic. You will need to submit an application when the application period opens.

Q I have been employed by my office for two years. Will those years of service count towards the three-year requirement in the JRJ service agreement?

A No. Time previously served does not count toward the three-year service agreement. The clock begins on the three years of service on the date the beneficiary signs the service agreement.