

**AMENDMENTS and CLARIFICATIONS
FOR THE 2018
John R. Justice Loan Repayment Program**

- Amendments are listed with the most recent amendment first.
- Additions/changes are reflected in red and deletions are reflected by strikethrough.
- Amendments that are connected to the same topic will have a subsection.

Amendments

There are no amendments at this time.

Clarifications

3/23/2018

FAQ Clarification

Currently in the FAQ

26. How will the JRJ grant program affect funding through the Public Service Student Loan Forgiveness program?

Beneficiaries should consult with the U.S. Department of Education to learn how receipt of JRJ benefits may affect awards through the Public Service Student Loan Forgiveness Program (PSLF).

Law school, state-based, and employer-based Loan Repayment Assistance Programs (LRAPs) have individual policies regarding the effect of receiving benefits from other LRAPs (which may include JRJ benefits in some cases). Applicants are encouraged to contact the LRAP administrators of the programs in which they participate to determine whether JRJ benefits influence eligibility or award amount.

Expanded version of this FAQ

26. **UPDATED How will the JRJ grant program affect funding through the Public Service Student 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 payor/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/payor is to provide payment instructions. Therefore, JRJ recipients may be advised (in order 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, provided that 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.**

Law school, state-based, and employer-based Loan Repayment Assistance Programs (LRAPs) have individual policies regarding the effect of receiving benefits from other LRAPs (which may include JRJ benefits in some cases). Applicants are encouraged to contact the LRAP

administrators of the programs in which they participate to determine whether JRJ benefits influence eligibility or award amount.