



**Oregon Department of Justice
Crime Victims' Services Division
John R. Justice Grant Program**

JRJ FAQs

1. Are individuals who are elected prosecutors or public defenders eligible for the JRJ program?

No. Although the statute does not specifically prohibit the awarding of JRJ funds to elected officials (assuming they otherwise would qualify as an eligible beneficiary), BJA, in its discretion, has determined that policy and ethical considerations preclude elected officials from being eligible. This prohibition does not extend to persons who hold elected offices other than as a prosecutor or public defender (*e.g.*, city council member status unrelated to prosecutor/public defender position), provided: (1) a reasonable person could conclude that the individual's elected status did not form a basis for their selection for JRJ benefits; (2) that the person did not use their office to influence a decision pertaining to the application; and (3) that the person's obligations to his/her elected office do not interfere with the fulfillment of the JRJ service obligation.

2. Are appellate attorneys handling criminal or juvenile delinquency case appeals eligible for this program?

Yes, provided they otherwise meet the definition of a full-time "prosecutor" or "public defender" under the statute (and the solicitation and guidelines).

3. Are attorneys who handle an exclusively civil caseload, such as civil forfeiture or dependency cases, eligible for this program?

No.

4. How does a prosecutor or public defender apply for JRJ student loan repayment benefits?

Prosecutors or public defenders who are interested in learning about, and/or applying for, JRJ loan repayment benefits should contact the state agency that has been designated by its governor to administer the JRJ program. Governor-designated state agencies along with contact information can be found at: www.ojp.usdoj.gov/BJA/grant/JRJStateAgencies.pdf

5. What is the award start and end date?

Start Date: October 1, 2017

End Date: September 30, 2018

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

There are no statutory or 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.

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

Full-time employment is considered "not less than 75% of a 40 hour work week" for the purpose of this solicitation.

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

Not necessarily, but 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 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.

9. May the designated state agencies issue co-payment of the loan repayment award jointly to the beneficiary and the lender?

No. The statute clearly provides only for "direct payments on behalf of a borrower to the holder of [the qualifying] loan." SAAs should issue their checks only by direct payment to the lenders, in accordance with the statute.

10. Are there tax consequences associated with receipt of JRJ benefits?

The Bureau of Justice Assistance (BJA) recently received information from the IRS regarding tax consequences associated with the JRJ Program. Please refer to the BJA’s website for further information: https://www.bja.gov/ProgramDetails.aspx?Program_ID=65

Please note neither the BJA nor the State Administering Agency provides legal 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.

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

Yes. Loans in forbearance or deferment are eligible. Loans in default are not. The JRJ statute authorizes a program by which direct payments are to the holder of a qualifying loan on behalf of an eligible beneficiary (borrower) who is not in default on a loan for which the person seeks forgiveness. The term “default” is understood to have the same definition as it does under the applicable provisions of the beneficiary’s loan agreement with his/her lender. Any individual who is considered by their lender to be in “default” status at the application stage will not be selected for JRJ benefits.

12. When does the service obligation begin?

Ordinarily, the effective date of the beneficiary’s obligation to remain employed for three years as a qualifying “prosecutor” or “public defender” begins on the date that the beneficiary first enters into duty (as such qualifying “prosecutor” or “public defender”) after executing the service obligation agreement. The effective date of any service agreement subsequently entered into by the beneficiary (pursuant to 42 U.S.C. §3797cc-21(e) (“Additional agreements”)) will be the day following the expiration of the prior service obligation. **Beneficiaries may not credit any service as a public defender or prosecutor prior to execution of the agreement toward the service obligation.**

13. Is executing the service agreement optional?

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.

14. Do I need to include the Service Agreement with my JRJ Application?

Yes. Completing the Service Agreement during the application process will mean one less step should you be selected to receive benefits.

15. **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?**
No. A beneficiary 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.
16. **Can I continue to receive JRJ monies after completing the initial three years of service?**
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.
17. **I have only been with my current employer for four months, but I have two years of prior experience as a prosecutor or public defender. Am I eligible to apply?**
Yes. The minimum service requirement of six months is an aggregate. Prior service in a qualified position may be added to your current job to meet the minimum service requirement.
18. **Is a beneficiary obligated to enter into a new service agreement of 3 years in addition to, and upon completion of, the initial 3-year service commitment if that person is selected again by the JRJ SAA?**
Pursuant to the statute (42 USC 3797cc-21(e)(2)), the period of any new term of service obligation would have to be determined on a case-by-case basis. Beginning in fiscal year 2013, any JRJ beneficiary who enters into a JRJSLRP Service Agreement – Secondary Term of Service (i.e., an additional year or years of service after the original three year term has been satisfied), will agree to extend the beneficiary's term of service obligation by the period of time expressed therein, in exchange for the receipt of additional JRJ benefits.
19. **Will I be automatically approved for continued funding if I received JRJ grant monies in a prior year?**
Renewal is not automatic; individuals seeking continued funding will need to complete a renewal application. However, pursuant to Bureau of Justice Assistance (BJA) requirements, State grantees agree to give priority consideration to those individuals who have an ongoing John R. Justice Loan Repayment Program Service Agreement obligation at the time of selection. The State grantee will only re-select individuals whom the State grantee reasonably believes will continue to maintain their eligibility to receive JRJ benefits. Of course, ongoing funding is dependent upon the availability of funds.
20. **If I am selected for an award, and I switch jobs in the next year, how will that affect my eligibility?**
It depends. To receive a JRJ award, you will have to execute the three-year service agreement required by BJA. If you fail to complete the three-year requirement, you are subject to the penalty provisions contained in the service agreement. If you change employers, but continue to maintain the same job type, (ex: Malheur County prosecutor to Yamhill County prosecutor), you will still remain eligible.
21. **Does the service agreement permit the Department of Justice to collect more than the principal amount of the award if the terms of the service agreement are not satisfied?**
In the event of a breach of the service obligation agreement, a principal sum equal to the amount that the beneficiary is required to repay to the Department of Justice "shall be recoverable by the Federal Government" from the beneficiary (or the beneficiary's estate, if applicable) by such

methods as provided by law for the recovery of amounts owed to the Federal Government. The foregoing should not be understood to preclude the Federal Government from recovering any interest that may be owed in the collection of a debt.

22. What if a JRJ beneficiary in repayment status is unable to repay the full sum of their received JRJ benefits within a certain timeframe?

Once a JRJ recipient has been determined to be in a “repayment status,” such information will be communicated to our Office by the SAA. The OJP OCFO may demand repayment within 45 days from their first notice of a recipient having entered “repayment status.” If the debtor is non-compliant in repaying the debt, the OJP OCFO will refer the matter to the United States Treasury Department (with notice to the debtor) and interest and collection fees will be assessed in addition to the principal amount owed.

23. Can a JRJ recipient in “repayment status” arrange for a payment plan?

The Office of Justice Programs (OJP) does not provide payment plans for funds owed to the federal government, though debtors may be able to arrange for a repayment plan through the Treasury Department.

24. How long does a JRJ recipient in “repayment status” have before their indebtedness is referred to the United States Treasury Department for collection?

Under standard practice, uncollected debt is turned over to Treasury within 60 days after the first notice is sent from OJP’s Office of the Chief Financial Officer.

25. Can a beneficiary hold some of the grant award to pay any tax liability rather than have all of these funds apply to repayment of a qualifying loan?

No. As an initial matter, the JRJ loan repayment benefits may not be paid directly to a beneficiary. Per 42 U.S.C. §3797cc-21(c), payments are to be made directly to the holder of the loan (*i.e.*, the lending institution) for the benefit of the borrower. Furthermore, the statute specifically authorizes repayment of loan obligations, not tax obligations of a beneficiary.

The beneficiary remains liable for their loan debt and for any late fees assessed by their lender. The JRJ program is intended as a supplement to, not a substitute for, each beneficiary’s individual loan payments.

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.

27. The application asks for the number of dependents in my household. Who can I claim?

Anyone claimed on your prior year tax return (Form 1040) qualifies. If you have had a life change since last year and need to claim additional dependents, please explain in the appropriate section.

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

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.

29. Do I have to include information about my spouse's student loan obligations?

No. However, if you would like us to consider the amount your spouse is required to pay in addition to your minimum payment, please include information about your spouse's loans and any required documentation.

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

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.

31. 25. My spouse and I consolidated our student loans into one loan. Am I still eligible for this program?

It depends. If your underlying loan would have been eligible for the JRJ Program, yes; if your underlying loan would not have been eligible, no. If you have consolidated student debt with a spouse, please be sure to include information about your original debt (including information to verify that it would have qualified for the JRJ Program), your spouse's original debt and the current balance of the consolidated loan in your JRJ application.

32. I am no longer employed as a public defender or prosecutor, what do I need to do to repay the JRJ monies paid to my loan servicer on my behalf?

Consistent with the terms of the JRJ Service Agreement, JRJ recipients are required to inform their JRJ state administering agency of their separation from a qualified position of employment and the status of their repayment. A payment in the total amount of the JRJ Student Loan Repayment benefits that have been made on behalf of the JRJ recipient should be sent to the Office of the Chief Financial Officer (OCFO) with a notation of the Grant Number(s) under which the money was paid. Contact the Oregon DOJ/CVSD, Cathy Relang, cathy.L.relang@doj.state.or.us to obtain the correct grant number. Funds may be returned by the recipient to the Office of Justice Programs (OJP) at the following address:

U.S. Department of Justice, Office of Justice Programs
Office of the Chief Financial Officer (Attn: Accounting Control Branch)
810 7th Street, N.W.
Washington, DC 20531.

This project was supported by Grant No. *2017-RJ-BX-0031* awarded by the Bureau of Justice Assistance. The Bureau of Justice Assistance is a component of the Office of Justice Programs, which also includes the Bureau of Justice Statistics, the National Institute of Justice, the Office of Juvenile Justice and Delinquency Prevention, the Office for Victims of Crime, the Community Capacity Development Office, and the Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering and Tracking. Points of view or opinions in this document are those of the author and do not necessarily represent the official position or policies of the U.S. Department of Justice