

John R. Justice Program FAQs

General

1. How will my application be evaluated?

The Act contains very specific criteria for awarding JRJ grants. It requires the applicant's "ability to pay" educational obligations be considered first and foremost. In keeping with the federal mandate, each application will be scored by AOC staff based on loan to income ratio and aggregate amount of educational debt. In situations where similar outcomes are produced, priority will be given to applicants with longer terms of public service. Once the applications are scored, they will be reviewed by the JRJ Program Advisory Committee, which will make recommendations on awards to the AOC Director. The AOC Director will make the final award decisions, and AOC staff will notify successful applicants.

2. 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.

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

We anticipate notifying award recipients within four weeks of the application closing deadline. Notification will be through electronic means.

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

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.

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

No. The JRJ Program requires awards to be paid directly to the loan servicer/lender. In the case of multiple loans, the AOC will disburse monies directly to the servicer/lender identified by the award recipient. It is important to note that the award money is considered a supplement to, not a substitute for, your personal loan obligations. A recipient's responsibility to make regular student loan payments is not abated by selection for participation in the JRJ Program. Recipients are required to continue to make personal payments toward their qualifying loans to remain eligible for the program in the future.

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

Once we receive all the required post-award paperwork (which includes a signed Service Agreement, a completed State of Arizona W-9 form, and a Loan Designation form) for all successful applicants, we will forward the information to the State of Arizona's Department of Administration to process the disbursement checks. The processing timeline is dependent upon applicants' providing the required documentation in a timely manner and the Department of Administration's ability to timely process the disbursement checks. Ideally, we anticipate disbursement will occur in February, 2016.

7. 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: Yuma County prosecutor to Maricopa County prosecutor), you will still remain eligible.

Application

8. I work in Pinal County but live in Maricopa County. Which county should I use for the application?

Please list your county of residence on the application, even if you work in another county.

9. Where can I obtain my “Student Access Financial Aid Review”? How long does it take?

Your Student Access Financial Aid Review is available online at www.nslsds.ed.gov. Access to this information requires a PIN, which can be obtained from this website. Plan ahead to ensure you have time to obtain the PIN before the application deadline.

10. 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.

11. 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.

12. Can my employer submit the “employer verification” form directly to the AOC?

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

13. 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.

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

- For educational debt in the name of the applicant:
 - Regardless of whether the loan qualifies for the JRJ Program, a “Student Access Financial Aid Review” for the applicant **MUST** be included in the application packet.
 - A lender statement must be provided for all loans that qualify for the JRJ Program. The lender statement must:
 - Be recent (last two months).
 - Show that the loan is not in default.

- Include the original balance, current balance, and minimum monthly payment amounts.
- If the loan does NOT qualify under the JRJ Program, no lender statement is required.
- For educational debt in the name of a spouse:
 - No lender statement is required. However, if you would like this debt considered as part of the debt-to-income ratio of the household, please include a “Student Access Financial Aid Review” report for this person in the JRJ Program application.

15. Do I need to include attachments to the Form 1040?

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

Eligibility

16. What types of employment qualify under the JRJ Program?

Prosecutor—full-time employee of a state or unit of local government (including tribal 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 (including tribal 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 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, that 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 nonprofit 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 considered to be eligible as beneficiaries under this solicitation.

17. 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).

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

No.

19. 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.

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

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

21. 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 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.

22. Which loans qualify under the JRJ Program for awards?

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:

1. A loan made, insured, or guaranteed under part B of subchapter IV of chapter 28 of Title 20 (Federal Family Education Loan Program);
2. 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);
3. A loan made under section 1078-3 or 1087e(g) of Title 20 (Federal consolidation loans and Federal Direct Consolidation loans, respectively).

Ineligible Loans

1. 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).
2. A Federal Direct PLUS Loan made to the parents of a dependent student.
3. 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).
4. Any loan in default.
5. Any private, commercial, or alternative student loan.

23. 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.

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

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

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.

26. 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.

Service Agreement

27. 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.

28. 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 the execution of the agreement toward the service obligation.**

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

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.”

30. Where can I find the Service Agreement?

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

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

No. However, if you are selected for an award, you will need to execute the Service Agreement prior to disbursement.

32. 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.

33. 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.

34. 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 Arizona Administrative Office the Courts, JRJ Grant staff (Cindy Trimble, ctrimble@courts.az.gov or Lorraine Smith, lsmith@courts.az.gov) 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.

35. 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.

36. 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 the Bureau of Justice Assistance. 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.

37. 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.

38. 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 the Treasury Department within 60 days after the first notice is sent from OJP’s Office of the Chief Financial Officer.

39. How will the JRJ grant program affect funding through the Public Service Loan Forgiveness program, Income-Based Repayment plan, or other loan repayment assistance programs (LRAP’s)?

To be eligible for the PSLF program, a borrower must make 120 “separate, monthly” payments. When a loan servicer receives a lump sum payment (i.e. 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.

This presents two problems for PSLF: 1) 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. 2) 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 payment instructions with the payment. Specifically, the payor/borrower should state that the excess is not intended to cover future installments, which will ensure that the borrower continues to be obligated to make future payments over subsequent months. Each loan servicer provides, on the billing statement, information regarding how the borrower/payor must provide payment instructions. Therefore, JRJ recipients are advised, to maximize the amount of credit they may receive from the 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.

For further information or clarification, beneficiaries should consult with the U.S. Department of Education to learn how receipt of JRJ benefits may affect awards through the Public Service Loan Forgiveness (PSLF) 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.

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