



NEWS RELEASE
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Statewide LRAP Increases Number of Loan Recipients and Size of Loan Awards in 2012

Harrisburg, PA – On January 2, 2012, the statewide loan repayment assistance program (“LRAP”) administered by the Pennsylvania Bar Foundation and the Pennsylvania Interest on Lawyers Trust Accounts Board (“PA IOLTA”) started its second year of loan repayment assistance for attorneys employed by agencies that help Pennsylvanians who cannot afford legal representation.

The program, conceived as a way to attract and retain talented lawyers in careers of public service, drew 90 applicants this year from 29 of the 41 IOLTA-funded organizations located throughout Pennsylvania. That represents a 12.5% increase over the last year.

While a portion of that increase can probably be attributed to greater awareness about the PA Bar Foundation – PA IOLTA LRAP, the move to WebGrants®, an electronic grant management system used by PA IOLTA, helped too by allowing applicants to complete and submit the lengthy loan application online. It’s an improvement that will continue to yield benefits because it makes it easier to apply in future year thanks to the ability to archive previously submitted loan applications. Given that eligible applicants can apply for and receive up to 10, one-year forgivable loans over the tenure of their public service careers, it’s sure to save applicants some time and effort.

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The online loan application process was not the only change made to the Pennsylvania Bar Foundation – PA IOLTA LRAP. The Pennsylvania Supreme Court’s 2010 decision to double the fee charged to out-of-state attorneys who wish to make an appearance in a Pennsylvania court expanded the funds available for the LRAP, allowing the program to establish tiers of assistance based on the number of years an applicant remains in public service. First year applicants are still eligible for a maximum of \$3,500 of assistance; however if they remain in eligible employment for a second year, they become eligible for a maximum of \$4,500 of assistance. Three years or more in qualified employment will result in up to \$6,000 of loan assistance. Each award comes with a 12-month employment requirement and the stipulation that the funds must be used to pay-down student loans incurred for the applicant’s undergraduate and law school educational costs.

“The tiering system was created to help encourage these dedicated men and women to remain in public service,” comments Pennsylvania Bar Foundation President Alfred Jones, Jr., of Centre County. “With student loan debt still being reported as the primary reason talented attorneys can’t afford to pursue public service careers, perhaps being able to qualify for larger loans will act as an incentive.”

It was incentive enough for the 64 first year recipients who re-applied and were accepted along with 20 new recipients for 2012. These 84 attorneys will receive a total of slightly more than \$326,000 in loan repayment assistance in 2012, funding 68% of their combined annual net debt service, and that’s an increase too, up 15.6% over last year.

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