

AN ACT

*Codification
District of
Columbia
Official Code*

2001 Edition

2006 Winter
Supp.

West Group
Publisher

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To establish within the Office of the Attorney General a loan assistance repayment program to encourage law students and lawyers to practice in poverty areas of the law, and to ensure access to the justice system for the impoverished and underserved citizens of the District of Columbia.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “District of Columbia Poverty Lawyer Loan Assistance Repayment Program Act of 2006”.

Sec. 2. Definitions.

For the purposes of this act, the term:

(1) “Adjusted gross annual income” shall have the same meaning as provided in D.C. Official Code § 47-1803.02(b).

(2) “Administrator” means the person appointed to administer the Program.

(3) “Applicant” means an individual who applies for assistance from the Program.

(4) “Attorney General” means the Attorney General of the District of Columbia.

(5) “Eligible debt” means outstanding principal, interest, and related expenses from loans obtained for reasonable educational expenses associated with obtaining a law degree made by government and commercial lending institutions or educational institutions but not loans extended by a private individual or group of individuals, including families.

(6) “Eligible employment” means those areas of legal practice certified by the Attorney General to serve the public interest, including employment with legal organizations that qualify for District of Columbia Bar Foundation funding. The term “eligible employment” shall not include employment with the District of Columbia government or employment as the Administrator of the Program.

(7) “Lawyer” means a graduate of an accredited law school who is:

(A) Licensed to practice in the District of Columbia;

(B) Authorized under the provisions of Rule 49(c)(9) of the District of

Columbia Court of Appeals to practice law before that court; or

(C) A member in good standing of the highest court of any state and has submitted an application for admission to the District of Columbia Bar.

(8) "Participant" means an eligible lawyer whose application to the Program has been approved.

(9) "Program" means the District of Columbia Poverty Lawyer Loan Assistance Repayment Program.

(10) "Reasonable educational expenses" means the cost of tuition for law school as well as the costs of education considered to be required by the school's degree program, such as fees for room, board, transportation and commuting costs, books, supplies, and educational equipment and materials that are part of the estimated student budget of the school in which the participant was enrolled.

(11) "Service obligation" means the duration of eligible employment necessary to sustain participation in the Program.

Sec. 3. Establishment of District of Columbia Poverty Lawyer Loan Assistance Repayment Program.

(a) There is established within the Office of the Attorney General a District of Columbia Poverty Lawyer Loan Assistance Repayment Program.

(b) The sole purpose of the Program shall be to provide loan repayment assistance to lawyers working in eligible employment.

Sec. 4. Administration of the Program.

(a) Within 30 days of the effective date of this act, the Attorney General shall:

(1) Establish an application and eligibility review process for the Program, including a semiannual review of the continued eligibility of participants;

(2) Certify a list of eligible employment;

(3) Determine levels of participant contribution; and

(4) Appoint an Administrator.

(b) The Attorney General may enter into an agreement with a third party to serve as the Administrator.

(c) The Administrator shall provide loans to participants, who maintain eligible employment, for the purpose of repaying eligible debt from reasonable education expenses associated with obtaining a law degree. The Administrator shall forgive these loans upon a participant's completion of the required service obligation.

(d) The Attorney General shall perform an annual finance and management audit of the Program.

Sec. 5. Eligibility.

(a) To be eligible to participate in the Program, an applicant shall, at the time of application and throughout participation in the Program:

- (1) Hold, or presently plan to secure, eligible employment; provided, that a participant must hold eligible employment before any payments may be disbursed;
- (2) Be a resident of the District of Columbia;
- (3) Be a lawyer;
- (4) Have an adjusted gross annual income of less than \$65,000;
- (5) Exhaust all other available avenues for loan repayment assistance, including through participation in any available undergraduate or law school debt forgiveness programs;
- (6) Have no current service obligation from scholarships;
- (7) Submit a timely and completed application to participate in the Program;
- (8) Be in satisfactory repayment status on all eligible debt; and
- (9) Execute a release to allow the Administrator access to records, credit information, and information from lenders necessary to verify eligibility of debt and to determine loan repayments.

(b) A law student attending the David A. Clarke School of Law at the University of the District of Columbia who is in his or her final year of school may apply and be approved for loan repayment assistance if the applicant demonstrates that he or she will meet all eligibility requirements at the time of the first award disbursement.

Sec. 6. Award of Program loans.

(a) The Administrator shall award loans to participants during the period of service obligation in accordance with section 8. Subject to the availability of funds and within the limits established by subsection (c) of this section, participants shall be granted loans sufficient to repay all eligible debt.

(b) If the needs of all participants exceed the financing available in any fiscal year, preference shall be given to participants who:

- (1) Are graduates of accredited public schools of law in the District of Columbia;
- (2) Have committed to a longer service obligation;
- (3) Have graduated from an accredited school of law within the last 3 years; or
- (4) Have a high debt to adjusted gross annual income ratio as compared to other participants.

(c)(1) Participants in the program shall not receive loan repayment assistance under this Program in excess of \$60,000 for the period of service obligation or \$1000 for a single month.

(2) The Mayor may increase the award limits in this subsection to reflect changes in reasonable education expenses.

Sec. 7. Participant obligations.

(a) Participants shall be obligated to:

(1) Maintain eligible employment of at least 35 hours per week for 45 weeks per year for each year of the service obligation; and

(2) Sign a promissory note setting forth their obligation to the Program to repay assistance loans that are not subsequently forgiven pursuant to section 4(c) because of a failure to sustain eligible employment or other noncompliance with the eligibility requirements set forth in section 5.

(b) The Administrator shall cause the participants to verify eligible employment and adjusted gross annual income at least semiannually during their participation in the Program. Participants shall make timely notification to the Administrator of any changes in status that would make them ineligible for an award under section 5.

(c) Participants who fail to fulfill the required service obligation shall be required to repay loans disbursed in accordance with the terms of the promissory note required by subsection (a) of this section and the regulations promulgated pursuant to section 9.

Sec. 8. Disbursement of loans.

(a) Disbursement of loan repayment assistance under this act shall begin no later than 90 days after an individual becomes a participant. Subject to the availability of appropriations, assistance payments shall be made semiannually to the participant until the repayment of the eligible debt is complete or the participant no longer meets the eligibility requirements set forth in section 5, whichever occurs first.

(b) It shall be the responsibility of each participant to negotiate with each lending institution for the terms and conditions of eligible debt repayments. Any penalties associated with early repayment shall be the responsibility of the participant.

Sec. 9. Rules.

The Mayor, pursuant to Title I of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*), shall issue rules to implement the provisions of this act.

Sec. 10. Appropriations contingency.

Sections 6 and 8(a) shall be subject to the availability of appropriations.

Sec. 11. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

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Sec. 12. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia