

# *Alternative Funding Sources for the Graduate Student*

NYSFAAA Conference  
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# *Non-traditional funding sources for medical school students*

- Scholarships
- Loan repayment assistance programs

# *Medical School Scholarships*

- School based scholarships
- National Health Service Corps offers scholarships  
<http://nhsc.bhpr.hrsa.gov/>
- National Institutes of Health offers scholarships  
<http://www.ugsp.nih.gov/home.asp?m=00>

# *LRAPs for medical school debt*

- The US Department of Health and Human Services offers loan forgiveness programs through the National Health Service Corps and the Nursing Education Loan Repayment Program.
- These programs offer loan forgiveness to physicians and registered nurses who agree to practice for a set number of years in areas that lack adequate medical care (including remote and/or economically depressed regions).

# *More LRAPs for medical school debt*

- The National Institutes of Health (NIH) Educational Loan Repayment Programs
- Nicholas J. Pisacano MD Memorial Foundation Inc.
- American Academy of Family Physicians Foundation
- Disadvantaged Health Professions Faculty Loan Repayment Program
- Indian Health Service (IHS) Loan Repayment Program
- US Air Force, Army, and Navy Financial Assistance Programs
- The American Association of Medical Colleges (AAMC) database

# *Non-traditional funding for law students*

- Scholarships
- Federal Work Study
- Post-graduate fellowships
- Loan repayment assistance programs

# Scholarships

- Most scholarships are school based.
  - 63 schools offer public interest scholarships
- Some individual organizations may also have scholarships to offer:
  - local bar associations;
  - fraternities, sororities, and other social clubs;
  - religious or business organizations;
  - and veterans' groups.

# *Federal Work Study*

- Provides funding for students to work part time during the school year and full time during the summer months.
- Students sometimes work on campus in a variety of settings or in off campus nonprofit agencies.
- Not all law schools participate in the federal work-study program.

# *Funding for student public interest work*

- 36 schools offer funding for student public interest work during school year
- 84 schools offer school funding during summer breaks

# *What is a Fellowship?*

- Full time post-graduate job for an entry-level attorney
- Work for a non-profit organization
- Typically of one or two year duration

# *How Much Do Fellowships Pay?*

- Fixed salary plus benefits - \$35,000 - \$55,000 range

# *What Types of Fellowships are Available?*

- Organization-Based Fellowships
- Project-Based and Entrepreneurial Fellowships
- Firm-Sponsored Fellowships
- Teaching Fellowships
- International and Fellowships Abroad

# *Organization-Based Fellowships*

- Non-profit organization designs and funds fellowship
- Apply directly to organization like any “regular” job
- No expectation of long-term employment with organization
- Typically, no need to create own agenda or draft proposal

# *Project-Based and Social Entrepreneurial Fellowships*

- Applicants propose their own projects, usually in conjunction with an existing (“host”) organization
- Applicant works at the non-profit organization, but is funded by the foundation

# *Examples of Project Based Fellowships*

- Examples:
  - Equal Justice Works Fellowships  
[www.equaljusticeworks.org](http://www.equaljusticeworks.org)
  - Skadden Fellowships <http://www.skadden.com>
  - Echoing Green Fellowships  
<http://www.echoinggreen.org/>
  - New Voices Fellowships [www.newvoices.aed.org](http://www.newvoices.aed.org)
  - Open Society Institute [www.soros.org](http://www.soros.org)

# *Firm-Sponsored Fellowships*

- Law firms pay for a fellow to do public interest work:
  - May place fellow directly with non-profit organization for fixed period
  - May work at sponsoring law firm only on pro bono matters
  - May be a finite associate position with a public interest law firm

# *Teaching Fellowships*

- Generally designed to offer the fellow the ability to learn how to teach law in a clinical setting.
- Teaching fellowships are generally school-based.

# *International and Fellowships Abroad*

- Allows fellows to work on international issues in the U.S. and abroad
- Examples:
  - Human Rights Watch
  - Ashoka Fellowships [www.ashoka.org](http://www.ashoka.org)

# *Loan Repayment Assistance Programs*

- School
- State
- Employer
- Federal

# *School LRAPs*

- Over 100 law schools have LRAPs
- Average annual LRAP award \$4,099.20; ranging from \$1,000 to \$10,000
- The E-Guide to Public Service in America's Law Schools: [www.equaljusticeworks.org](http://www.equaljusticeworks.org)

# *State LRAPs*

- 20 states offer LRAPs
- [www.abanet.org/legalservices/sclaid/lrap/home.html](http://www.abanet.org/legalservices/sclaid/lrap/home.html)

# *Employer LRAPs*

- An increasing number of employers offer LRAPs to employees

[www.lri.lsc.gov/sitepages/management/management\\_lrap.htm](http://www.lri.lsc.gov/sitepages/management/management_lrap.htm)

- Some federal government agencies offer LRAPs to employees

[www.opm.gov/oca/pay/studentloan/index.asp](http://www.opm.gov/oca/pay/studentloan/index.asp)

# *Federal Loan Forgiveness*

- College Cost Reduction and Access Act of 2007
- If a borrower makes ten years of payments while engaged in full-time public service, the unpaid balance is forgiven by the federal government.

# *College Cost Reduction Act of 2007*

Significantly lowers monthly student loan payments by creating an **income-based repayment plan**.

Provides **loan forgiveness for public service employees** by canceling remaining debt after 10 years of income-based repayment.

## *Example*

Jane Justice owes \$100,000 in qualifying debt at 6.8% interest and takes a job paying \$40,000 to start.

She elects the income-based repayment (IBR) plan. In her first year, **Jane's monthly payments under IBR are \$309 (as opposed to \$1151 under standard ten-year repayment).**

As Jane gets annual salary increases of 5%, her monthly payments under IBR gradually rise, until in year 10 her monthly payments are \$526.

## *Example*

- Jane Justice started out owing \$100,000 in qualifying debt at 6.8% interest and took a full-time public service job paying \$40,000 to start with annual increases of 5%.
- Jane stayed in public service and paid \$49,132 over 10 years under the IBR plan.
- **The federal government cancels \$118,868, the principal and interest remaining.**

# *Public Service Forgiveness for Direct Loans Only*

- Only Direct loans are eligible for forgiveness.
- Borrowers with other government loans can consolidate with Direct Loans in order to obtain this benefit, assuming they are eligible to consolidate.

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