



JOHN R. JUSTICE GRANT PROGRAM FREQUENTLY ASKED QUESTIONS

Question: What is the John R. Justice Grant?

Answer: The John R. Justice Grant (JRJ Grant) Program was enacted by Congress and signed into law by President Obama to provide loan repayment assistance for eligible state and federal public defenders and state prosecutors who agree to remain so employed for at least three years. Nationwide, the program is administered by the U.S. Department of Justice's Bureau of Justice Assistance (BJA). In Maine, the Finance Authority of Maine (FAME) is the state agency responsible for administering the program. The award amount is based upon funds FAME receives annually from the Federal government.

Question: Who is eligible for the program?

Answer: Eligible recipients include:

- State and federal public defenders and state prosecutors who agree to remain so employed for at least three years
- Must be "continually licensed to practice law"
- Must be "full-time employees" (at least 30 hours a week)
- Eligible prosecutors are full-time employees of a state or unit of local government (including tribal government) who "prosecute criminal or juvenile delinquency cases at the state or unit of local government level"
- Public defenders are either full-time employees of a state or unit of local government (including tribal government) or full-time employees of a nonprofit organization operating under a contract with a state or unit of local government who "provide legal representation to indigent persons in criminal or juvenile delinquency cases"
- Full-time federal defender attorneys in a defender organization providing legal representation to indigent persons in criminal or juvenile delinquency cases pursuant to Subsection(g) of section 3006A of Title 18, United States Code
- Attorneys providing supervision, education, or training of other persons providing prosecutor or public defender representation
- Attorney must not be in default on repayment of any federal student loans

Prosecutors who are employees of the federal government are not eligible. Also, elected prosecutors are ineligible.

Attorneys who are in private practice (and not a full-time employee of a non-profit organization) are not eligible, even if providing public defense services under contract to the state. This includes the vast majority of Maine's criminal defense bar.

Question: How much grant money will be awarded?

Answer: The annual amount awarded is dependent on the funds FAME receives each year from the Federal Government. Priority shall be given to renewal applicants. An aggregate total of \$60,000 lifetime could be awarded, should federal funding be received in future years.

Question: Which student loans are eligible?

Answer: Federal student loans, including undergraduate and graduate school loans, are eligible for assistance. Loans in default, Parent PLUS loans, consolidation loans that repaid a parent PLUS loan, and commercial or alternative student loans are not eligible.

Eligible educational loans include:

- Federal Family Education Loan Program (FFELP) Stafford Loans;
- Federal Direct Stafford Loans;
- Federal Perkins Loans;
- Federal Graduate PLUS Loans;
- Federal Consolidation Loans; and
- Federal Direct Consolidation Loans.

Non-eligible loans include:

- Federal Parent PLUS Loans;
- Federal Consolidation Loans used to repay Federal Parent PLUS Loans;
- Loans that have been paid in full; and
- Non-federal student loans.

Question: What if I do not know what type of student loans I have?

Answer: Visit the National Student Loan Data System online <http://www.nslds.ed.gov/> or contact FAME customer service for help at (800) 228-3734.

Question: How do I apply?

Answer: Renewal applications are mailed directly to eligible recipients. Completed application and required attachments must be submitted to FAME **by 5:00 p.m.** on the application deadline, or postmarked that same date. Should additional funding become available, applications for new awards will be available at www.famemaine.com or by contacting FAME at (800) 228-3734).

Question: How will applications be evaluated?

Answer: Priority will be given to renewal applicants. For all others, FAME has designed a scoring system that places greatest weight on an applicant's ability to repay their loans. FAME will calculate an applicant's debt-to-income ratio, awarding points based on the percentage the loan payments represent as part of the applicant's gross monthly income; the applicant's cost of living (with an extra point awarded to those living in Cumberland County); years of service (one extra point for applicants possessing at least one year of prior service as a prosecutor or defender); and years remaining for the borrower to repay their loans. To achieve geographical balance, FAME will strive, when possible, to select at least one recipient from each of Maine's eight prosecutorial districts, as well as eligible recipients from the Maine Attorney General's office, Maine's Federal Defender office, and any eligible representatives of the state's criminal defense bar, such as employees of the Commission on Indigent Legal Services.

Question: What is the Service Agreement I am required to sign?

Answer: By signing the Service Agreement, the applicant acknowledges that the program requires a three-year service commitment (beginning on the date one signs the agreement), the benefit is in the form of a loan that must be repaid if the service commitment is not fulfilled and all other stipulations as described in the Service Agreement.

Question: What if I do not receive another grant next year, am I still responsible for three years?

Answer: Yes, even if a recipient's grant is not renewed next year, he/she is still committed to complete a three-year term.

Question: Can I receive credit for years of prior service as a public servant?

Answer: There is no credit for previous service, no matter how long served.

Question: If I receive a grant next year, as well, am I obligated to six years of service (three years plus another three years)?

Answer: No, the three-year commitment period does not recommence (i.e. become six years) if one also receives an award the second year.

Question: What other documents are required in the application process?

Answer: In addition to the completed application and Service Agreement, applicants must provide documentation about their eligible educational loan debt obligations, as well as proof of their employment under the statutory definition of "prosecutor" or "public defender." A form signed by both the applicant and their supervisor will be required to confirm this employment. FAME's standard privacy policy notice is part of the application materials and must be read and signed, as well.

Question: Will I receive the loan repayment money directly?

Answer: No. FAME is required to send payments directly to the holder or servicer of your student loans. You will not handle any money. A recipient must continue to make regular student loan payments.

Question: Are grant monies taxable as income?

Answer: BJA does not provide legal advice on tax issues. The following is provided for informational purposes only. 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.

- Letter from the Office of Justice Programs' Office of General Counsel, dated 12-09-10

<https://www.bja.gov/Programs/OGC-JRJ-Letter.pdf>

FAME will issue Form 1099s (Misc. Income) to recipients. FAME will not engage in any tax withholding.

Question: What are the beginning and ending dates for the grant?

Answer: The grant Renewal **applications are due by 5:00 p.m. on the application deadline of December 1st of each year. FAME expects to notify selected recipients and disburse monies in January of each year.** Subsequent years are dependent upon whether or not the program continues to be funded by Congress.

Question: What if I change jobs or do not complete the three-year commitment?

Answer: If an individual becomes ineligible or does not complete the requisite three-year commitment due to voluntary separation or involuntary separation for misconduct or unacceptable performance, the recipient can no longer receive benefits and must repay any amounts received under the program. Arrangements for repayment will be made with the U.S. Department of Justice. Lateral moves to another, similar office will not affect eligibility.

Question: Are there other similar loan programs available for public servants?

Answer: Yes, other loan repayment programs do exist for public servants, including the Public Service Loan Forgiveness Program. This federal program, administered by the U.S. Department of Education, offers loan forgiveness after ten years of public service employment. To qualify, a borrower must make monthly loan payments for ten years (120 payments) while working full-time in qualifying public service employment. To learn more, please visit: <http://studentaid.ed.gov/PORTALSWebApp/students/english/PSF.jsp>

Question: What other important information should I know?

Answer: A recipient must respond to any notifications from FAME and must notify FAME of changes to his or her address, employment status or loan status (default) within ten days of the change.

Question: What if I have further questions?

Answer: Contact FAME at (800) 228-3734 or visit www.famemaine.com