

The Traditional Debt Management Program F.A.Q. (LRAP)

This program is for the entering classes of 1984 – 2010. If you are from the entering class of 2011 and later, you must visit the [Income-Based Debt Management Program FAQ](#).

The University of Michigan's traditional Debt Management Program is a complicated program, because of our concern for fairness for all participants. That means there are a lot of details and subtleties in the program that can best be explored by discussing your particular situation with a financial aid counselor. This FAQ hopes to address general questions about the program for you. Please let us know how else we can be of assistance.

1. Generally, how does it work?

In very broad terms, we look at two things to determine your eligibility for the program. First we look at your income and assets to figure out how much we think you can afford to pay toward your monthly student loans. Then we look at the eligible loans that you incurred to attend law school. The difference between the required loan payment and what we expect you to pay is what you get from the program.

2. Is it free money, or do we have to pay it back?

It is a loan that you get, but if you remain in your same Debt Management eligible job for the year, it is converted to a grant at the end of the calendar year. If you leave your job or get a really big raise during the year so that you are no longer eligible for the program, you will have to pay money back.

3. What kind of debt is covered?

The traditional Debt Management Program will consider federal loans (Stafford and Grad PLUS) and private loans taken out during your time at Michigan Law; however, loans taken out to cover the student contribution or to attend an institution other than the University of Michigan Law School are not included in the program. Bar loans of up to \$8,000 and computer loans are also considered eligible for the program.

4. What kinds of jobs are covered?

You must be employed full time in law-related work. In very general terms that means if a JD is required for the job then your job qualifies you for the program. The only exceptions to this are judicial clerks, temporary jobs, and fellowships funded by the U of M which do not qualify for the program at all. Special note for those pursuing Presidential Management Fellowship (PMF) positions: On rare occasions, the job you receive may not be law-

related and therefore make you ineligible for the Law School's loan repayment assistance programs. The Office of Career Planning will work with you as much as possible to avoid this, but if you are in doubt about it, please be in consultation with the Financial Aid Office to discuss your eligibility.

5. So your program is not limited to public interest jobs?
No, we do not require that jobs be public interest or public service jobs. We really want our graduates to be doing what they want to do, whether that be working for a public interest organization, the government, or working for a small law firm in a lightly populated area.
6. Does your job have to be in the U.S.?
No, it does not. We have had recipients in Thailand, Lebanon, and Pakistan, to name a few.
7. What is the salary cap?
We have no cap. Eventually your salary becomes large enough so that the contribution expected from your income and assets exceeds the monthly payment required on your eligible loans.
8. How many years can you be in the program?
There is no limit. You could potentially be in the program as long as your loans are in repayment.
9. Do I have to get into the program right after law school?
No, you can enter at any point that you are in repayment on your loans. You just cannot be delinquent, in default or in forbearance on any of your student loans.
10. Where can I get more information?
Please visit our website at:
<http://www.law.umich.edu/currentstudents/financialaid/loanpayment/Pages/Traditional-Debt-Management-Program.aspx>.