

108TH CONGRESS
1ST SESSION

H. R. 2562

To provide financial assistance to law school graduates who choose to accept employment in a public interest position.

IN THE HOUSE OF REPRESENTATIVES

JUNE 23, 2003

Mr. ANDREWS introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To provide financial assistance to law school graduates who choose to accept employment in a public interest position.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Public Interest Lawyer
5 Assistance and Relief Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) The ability to repay financial obligations in-
9 curred in obtaining a legal education has become a

1 deterrent to law school graduates accepting public
2 interest employment.

3 (2) The increasing level of educational debt
4 leads recent law school graduates to accept positions
5 with private firms offering high salaries rather than
6 with lower paying public interest organizations.

7 (3) This has led to a decrease in the number
8 of attorneys available to serve public needs in gov-
9 ernment, non-profit, and special interest capacities.

10 (4) The establishment of a Federal loan repay-
11 ment assistance program for attorneys entering pub-
12 lic interest jobs will increase access to legal services
13 in these areas by helping recent law school grad-
14 uates to meet their educational financial obligations.

15 **SEC. 3. ESTABLISHMENT OF PROGRAM.**

16 (a) PROGRAM.—

17 (1) IN GENERAL.—The Secretary of Education
18 (in this section referred to as the “Secretary”) shall
19 carry out a program of assuming the obligation to
20 repay, pursuant to subsection (c), a loan made, in-
21 sured, or guaranteed under part B or D of title IV
22 of the Higher Education Act of 1965 (excluding
23 loans made under sections 428B and 428C of such
24 Act or comparable loans made under part D of such
25 title) for any borrower who enters into an agreement

1 with the Secretary to complete 3 years of service as
2 a lawyer employed in a public interest position.

3 (2) AWARD BASIS; DEFERMENT.—

4 (A) AWARD BASIS.—Loan repayment
5 under this section shall be on a first-come, first-
6 serve basis and subject to the availability of ap-
7 propriations, and to any limitations imposed by
8 the Secretary under section 5. The Secretary
9 shall, on the basis of an application that com-
10 plies with subsection (d)(1), select from among
11 eligible applicants the borrowers with which to
12 enter into the agreements described in para-
13 graph (1).

14 (B) DEFERMENT.—The Secretary shall, by
15 regulation, provide for the deferment of repay-
16 ment of loans made, insured, or guaranteed
17 under part B or D of title IV of the Higher
18 Education Act of 1965 (excluding loans made
19 under sections 428B and 428C of such Act or
20 comparable loans made under part D of such
21 title) for borrowers who enter into such agree-
22 ments and provide evidence in accordance with
23 such regulations of employment in a position
24 qualifying for repayment of such loans under
25 paragraph (1).

1 (3) REGULATIONS.—The Secretary is author-
2 ized to prescribe such regulations as may be nec-
3 essary to carry out the provisions of this section.

4 (b) LOAN REPAYMENT.—

5 (1) ELIGIBLE AMOUNT.—Except as provided by
6 the Secretary pursuant to section 5, the amount the
7 Secretary may repay on behalf of any individual
8 under this section shall not exceed the greater of—

9 (A) the sum of the principal amounts out-
10 standing of the individual's qualifying loans at
11 the beginning of the first year of service de-
12 scribed in subsection (a)(1); or

13 (B) a total of more than \$20,000.

14 (2) CONSTRUCTION.—Nothing in this section
15 shall be construed to authorize the refunding of any
16 repayment of a loan made under part B or D of title
17 IV of the Higher Education Act of 1965.

18 (3) INTEREST.—If a portion of a loan is repaid
19 by the Secretary under this section for any year, the
20 proportionate amount of interest on such loan which
21 accrues for such year shall be repaid by the Sec-
22 retary.

23 (c) REPAYMENT TO ELIGIBLE LENDERS.—Except as
24 provided by the Secretary pursuant to section 5, the Sec-
25 retary shall pay to each eligible lender or holder for each

1 year an amount equal to one-third of the aggregate
2 amount of loans which are subject to repayment pursuant
3 to subsection (b)(1).

4 (d) APPLICATION FOR REPAYMENT.—

5 (1) IN GENERAL.—Each eligible individual de-
6 siring loan repayment under this section shall sub-
7 mit a complete and accurate application to the Sec-
8 retary at such time, in such manner, and containing
9 such information as the Secretary may require.

10 (2) ELIGIBLE POSITIONS.—An individual shall
11 be treated as serving as a lawyer employed in a pub-
12 lic interest position under this section after com-
13 pleting a year of service as a practising attorney in
14 a position in—

15 (A) local, State, or Federal government;

16 (B) an organization that is exempt from
17 taxation under section 501(c)(3) of the Internal
18 Revenue Code of 1986; or

19 (C) a judicial clerkship.

20 (e) TREATMENT OF CONSOLIDATION LOANS.—A loan
21 amount for a consolidation loan made under section 428C
22 of the Higher Education Act of 1965, or a Federal Direct
23 Consolidation Loan made under part D of title IV of such
24 Act, may be a qualified loan amount for the purpose of
25 this section only to the extent that such loan amount was

1 used by a borrower who otherwise meets the requirements
2 of this section to repay—

3 (1) a loan made under section 428 or 428H of
4 such Act; or

5 (2) a Federal Direct Stafford Loan, or a Fed-
6 eral Direct Unsubsidized Stafford Loan, made under
7 part D of title IV of such Act.

8 (f) PREVENTION OF DOUBLE BENEFITS.—No bor-
9 rower may, for the same service, receive a benefit under
10 both this section and subtitle D of title I of the National
11 and Community Service Act of 1990 (42 U.S.C. 12571
12 et seq.).

13 **SEC. 4. ADMINISTRATION.**

14 The Secretary shall create or designate an admin-
15 istering body within the Department of Education to—

16 (1) establish and determine eligibility criteria
17 under this Act;

18 (2) alter the limits on the amount of loan re-
19 payment assistance participants may receive during
20 their period of participation under section 3;

21 (3) alter the limits on the amount of time a law
22 school graduate may participate in the loan assist-
23 ance repayment program under section 3;

24 (4) accept funding and gifts on behalf of the
25 program;

1 (5) raise funds on behalf of the program; and

2 (6) disburse funds or designate another entity

3 to do so on behalf of the program.

4 **SEC. 5. AUTHORIZATION OF APPROPRIATIONS.**

5 There are authorized to be appropriated to carry out

6 this Act such sums as may be necessary for fiscal year

7 2003 and for each of the 4 succeeding fiscal years.

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