

LEGAL SERVICES CORPORATION
HERBERT S. GARTEN LOAN REPAYMENT ASSISTANCE PROGRAM
2018 PROMISSORY NOTE

BORROWER NAME:

GRANTEE NAME:

LENDER: Legal Services Corporation, 3333 K Street, NW, Washington D.C. 20007

LOAN PRINCIPAL: \$5,600 provided in two disbursements

RATE OF INTEREST: 6.0%, compounded annually

EMPLOYMENT PERIOD: October 1, 2017–September 30, 2018

Borrower states and agrees to the following terms and conditions:

I, am a licensed attorney employed with the grantee identified above, which is a legal aid organization receiving funds from the Legal Services Corporation (“Grantee”). I unconditionally promise to pay to the Lender Legal Services Corporation (LSC) the loan principal amount (“Loan Principal”) disbursed to me under LSC’s Herbert S. Garten Loan Repayment Assistance Program (“LRAP”), plus applicable interest due and all other costs and charges described in this Promissory Note no later than the end of the Employment Period stated above, if said loan principal is not forgiven. LSC will forgive some or all of the Loan Principal (cancelling my obligation to pay that amount) if I meet the terms of this Promissory Note including continued employment at the Grantee for the entire Employment Period.

I. LRAP PROGRAM DESCRIPTION

I have read the terms and conditions of the January 2018 LRAP Program Description, fully understand them, and agree to them as terms and conditions of this Promissory Note, incorporated by this reference. See the full text of the 2018 LRAP Program Description in the [LRAP section](#) of www.lsc.gov.

II. LOAN PRINCIPAL

I understand that the Loan Principal is five thousand six hundred dollars (\$5,600) and will be disbursed as described below.

III. INTEREST

I understand that interest will accrue on the unpaid balance of the Loan Principal at the rate of six percent (6.0%) per year, compounded annually, starting on the date that I receive the first disbursement. The unpaid balance consists of the amount of each disbursement. Interest will not accrue on any amounts that LSC forgives.

The interest rate will not exceed the maximum legal amount permitted by law. Any portion of interest payments that exceed the permissible legal rate will apply to the Loan Principal.

IV. DISTRIBUTION SCHEDULE AND TERMS

LSC will distribute the Loan Principal by the following Distribution Schedule and Terms.

A. Distribution Schedule:

- First Distribution—\$2,800. Approximately July of 2018.
- Second Distribution—\$2,800. Approximately November of 2018.

B. Distribution Terms:

I understand and agree that to receive each six-month distribution of the Loan Principal in accordance with the Distribution Schedule, LSC must first receive the certification of the Executive Director of the Grantee that I remained employed in good standing with the Grantee during the entire specified six-month period, as described in the LRAP Program Description.

- First Distribution:
Certification of Employment for *October 1, 2017 through March 31, 2018*.
- Second Distribution:
Certification of Employment for *April 1, 2018 through September 30, 2018*.

V. CHANGE IN STATUS

I will inform LSC in writing within thirty (30) days of any change in my name, address, social security number, employment status, or educational-loan repayment status (including deferment, forbearance, or payment in full of my obligations). I will email the changes to LRAPcoordinator@lsc.gov. I understand that failure to provide this information may affect my eligibility for LRAP.

VI. USES OF LOAN PRINCIPAL

A. Eligible Uses of Loan Principal: I will apply the entire Loan Principal to pay my eligible law school loans, which include:

- Federal Stafford Loans (Subsidized/Unsubsidized)
- Supplemental Loans for Students (SLS)
- Federal Perkins Loans
- Law Access Loans (LAL)
- Law Student Loans (LSL)
- Law-school-based loans
- Other educational loans used to pay for law school (*e.g.*, Nellie Mae, Sallie Mae, TERI)
- Loans related to preparing for or taking bar exam(s)

B. Ineligible Uses of Loan Principal: I understand that I may **not** use the Loan Principal to pay:

- Undergraduate or other non-law-school-related educational loans
- Non-educational loans
- Educational or non-educational loans from family members
- Educational or non-educational commingled loans with spouses or partners or parents
- Credit-card debt
- Living expenses

VII. LOAN DEFAULT

A. Default: I understand that a default for any reason below will immediately require that I repay the entire unpaid balance of the Loan Principal to LSC, plus interest, fees, and other obligations set out in this Promissory Note. Furthermore, I will not accept, and LSC will not provide, any distributions after a default.

B. Failing to Remain Employed and in Good Standing with the Grantee: I understand that I will be in default if I do not remain employed in good standing with the Grantee for the entire employment period, October 1, 2017–September 30, 2018, as certified by the Executive Director of the Grantee.

- C. End of Fellowship: If I work at the Grantee through a fellowship that ends during the Loan Term of this Promissory Note, then I will be in default unless either:
1. I otherwise continue to work full time at the Grantee through the end of the Employment Period or
 2. the Executive Director of the Grantee provides LSC with a certification in writing that it would have offered me a position through the end of the Employment Period, but for reasons unrelated to any problems with my performance, it could not hire anyone at my level
- D. Prohibited Use of Loan Principal: I understand that use of any Loan Principal for payments other than the Allowable Uses described above will automatically place me in default.
- E. Misrepresentation: I understand that I will be in default of the terms and conditions of this Promissory Note if I make any material misrepresentation or omission in my Loan application, this Promissory Note, or any other submissions to LSC or to others regarding this Promissory Note (such as submissions of information to the Grantee regarding my employment).

VIII. LOAN FORGIVENESS

LSC will forgive some or all of the Loan Principal as follows.

A. Forgiveness Based on Completion of Grantee Employment

LSC will forgive the Loan if I remain employed in good standing with the Grantee throughout the Employment Period. LSC must receive both certifications of the Executive Director of the Grantee that I remained employed in good standing with the Grantee for the entirety of each six-month period making up the Employment Period, as described in the LRAP Program Description.

B. Forgiveness of Default

LSC may determine, in its sole discretion, to forgive some or all of the Loan Principal after a default. The process and good cause standards for a petition for forgiveness are provided in the January 2018 LRAP Program Description in the LRAP section of www.lsc.gov, incorporated here and agreed to by reference.

IX. COLLECTION COSTS AND FEES

If I fail to repay to LSC the Loan Principal or any portion of it that LSC did not cancel or forgive according to this Promissory Note, I promise to pay to LSC all reasonable collection costs and fees relating to collecting the amounts owed by me, including those costs and fees based on efforts by LSC, attorneys, or collection agencies.

X. REPAYMENT TERMS

- A. Repayment: I will pay to LSC in full all amounts due under this Promissory Note that are not forgiven by LSC. I will do so upon default or no later than the end of the Employment Period.
- B. Failure to Repay: If I fail to make payments as described herein, LSC may, without notice or demand, declare the entire unpaid Loan immediately due and payable and will exercise any legal options available to collect the debt, including notifying the applicable state bar of professional misconduct.
- C. Manner of Repayment: I will make payment by check, wire transfer, or direct draft from my bank account. If I am unable to repay the Loan in-full on the due date, I will immediately notify LSC and cooperate with LSC to enter into a settlement establishing a payment plan including additional accruing interest at 6%. If such a payment plan is established, I agree to make payments to LSC according to the terms of the repayment agreement settlement. I understand that LSC has no obligation to accept a settlement and may insist on full payment due.
- D. Allocation of Partial Repayments: LSC will credit partial repayments against collection fees and costs first, interest accrued second, and unpaid principal third. Interest will continue to accrue only on the remainder unpaid principal, interest, and costs.
- E. Weekend/Holiday Repayments: If payment becomes due on a Saturday, Sunday, or federal holiday, LSC will accept payment the next business day.

XI. ENTIRE AGREEMENT AND MODIFICATIONS

This Promissory Note constitutes the entire agreement between the parties to this Loan and supersedes all previous written or oral LRAP-related agreements between the parties. No provision of this Promissory Note may be waived or modified except in writing and executed by LSC and the Borrower.

XII. MISCELLANEOUS

- A. I received a true, exact copy of this Promissory Note.
- B. I agree to each term and condition of this Promissory Note by handwriting or electronically affixing my initials on each page and by handwriting or electronically affixing my signature and requested information on the last page of this Promissory Note.
- C. LSC's failure to exercise fully or partially any right, remedy, power, or privilege under this Promissory Note does not waive any such or any other right, remedy, power, or privilege. The rights, remedies, powers, and privileges under this Promissory Note are cumulative and include any rights, remedies, powers, and privileges under law.
- D. I waive presentment for payment, demand for payment, protest, notice of payment, notice of dishonor, notice of nonpayment, notice of protest for nonpayment, diligence to take collection action, and any right to a trial by jury in any matter arising under or regarding this Promissory Note.
- E. This Promissory Note is nonnegotiable and may not be assigned or otherwise transferred unless LSC agrees in writing to the assignment.
- F. My participation in the first year of LRAP is based on my initial application, and for participation in the second and third years of LRAP I must demonstrate continued eligibility, consistent with the terms and conditions of the LRAP Program Description. Awards for the second and third year of LRAP are contingent on fund availability.
- G. I will participate in any evaluation of LRAP, including completing surveys and participating in interviews.

XIII. GOVERNING LAW, JURISDICTION, AND VENUE:

This Promissory Note will be construed according to the laws of the District of Columbia without regard to conflicts-of-law principles. Any action to enforce this Promissory Note or any disputes arising under or concerning this Promissory Note will be brought only in any court in the District of Columbia. I submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum in any such dispute in such venue.

XIV. VALIDITY OF ELECTRONIC SIGNATURES AND COPIES

Electronic mail, electronic forms, electronic records, photocopies, and facsimile copies of any document submitted for my Loan are valid and enforceable as the original. Electronic signatures on any document submitted for my Loan hold equivalent legal status as traditional handwritten signatures. By completing this Promissory Note online, I certify that my typewritten electronic signature and/or initials are the equivalent of my handwritten signature and/or initials. By affixing my electronic signature and/or initials to this Promissory Note, I accept all terms and conditions of this Promissory Note, which will be deemed legally valid, binding, and enforceable on all parties.

Social Security Number: _____

Mailing Address: Street Address: _____

City: State: Zip Code: _____

Telephone Number: _____

Mobile Phone Number: _____

Work Email Address: _____

Personal Email Address: _____

Signature: _____

Printed Name: _____

Date: _____