



Office of Financial Aid

Loan Repayment Information for the J.D. Class of 2025

Congratulations to all the members of the Class of 2025 and best wishes from the Financial Aid staff!

The following information will be useful as you prepare for the repayment of your educational loans.

Please note that there is no penalty for prepayment of most educational loans; check your promissory note.

Federal Loans

If you borrowed loans through one of the following federal loan programs during your enrollment at Columbia Law School (CLS), we have highlighted a few of the terms for the loan(s). Please note that the information below is for the 3 most recent academic years. You must contact your lender/servicer for more detailed loan terms, or for loans borrowed in years prior to those listed below.

Federal Direct Unsubsidized Loans

- Loans first disbursed between July 1, 2024 and June 30, 2025: these loans have a fixed interest rate of 8.08%.
- Loans first disbursed between July 1, 2023 and June 30, 2024: these loans have a fixed interest rate of 7.05%.
- Loans first disbursed between July 1, 2022 and June 30, 2023: these loans have a fixed interest rate of 6.54%.
- Repayment begins 6 months after a student's enrollment status drops to less than half-time.
- You have up to a 10 year standard repayment period.
- Interest accrues from date of disbursement while you are in school and during grace/deferment periods. Interest can be paid while enrolled, or deferred and capitalized at the time of repayment.

Federal Direct Graduate PLUS Loans

- Loans first disbursed between July 1, 2024 and June 30, 2025: these loans have a fixed interest rate of 9.08%.
- Loans first disbursed between July 1, 2023 and June 30, 2024: these loans have a fixed interest rate of 8.05%.
- Loans first disbursed between July 1, 2022 and June 30, 2023: these loans have a fixed interest rate of 7.54%.
- Interest accrues from the date of disbursement. Interest can be paid while enrolled, or deferred and capitalized at the time of repayment.
- For graduate/professional students, this loan has a 6 month post enrollment deferment (repayment begins 6 months after a student's enrollment status drops to less than half time).
- You have up to a 10 year standard repayment period.

Columbia University Loan Program

The interest is fixed at 5% during repayment. No interest accrues during enrollment at CLS or during the 6-month grace period. Repayment begins 6 months after a student's enrollment status drops to less than half-time. You have up to a 10-year repayment period.

Private Educational Loan Programs

While some private educational loan programs offer a fixed interest rate, many private loan programs have interest rates that are variable. Private educational loans with variable interest rates are adjusted quarterly, monthly, or annually, depending on the loan program. Interest for private educational loans accrues from the time of loan disbursement, and deferred interest is capitalized. For most loan programs, capitalization occurs when the loan enters repayment. Some lenders may charge a capitalization and/or origination fee at the time of repayment. Depending upon the lender, repayment typically begins after a 6- or 9-month grace period and the maximum repayment period may be up to 30 years. Please refer to your loan promissory note or periodic borrower statements for your loan program details.

Repayment Options

You should work with your loan servicer to choose a federal student loan repayment plan that is best for you. To make your payments more affordable, repayment plans can give you more time to repay your loans or can be based on your income.

Prepayment

Prepayment is paying all or part of your loan before the end of the repayment period. This will substantially decrease your total interest costs. *There is no penalty for prepaying most educational loans; check your promissory note.*

Recommendations:

When prepaying a portion of your loan(s):

- Include written instructions with your payment to your lender/servicer. Contact your lender/servicer for specific instructions.
- Specify which loan(s) you are prepaying.
- Apply payment to outstanding principal to decrease the overall cost of the loan.

When prepaying your entire loan(s):

- First contact your lender/servicer for the exact repayment amount(s) and for specific instructions.
- Include written notification with your payment.
- After repayment, your lender/servicer should return your cancelled promissory note(s).

Advance Payment

A lump sum payment to cover future scheduled installments is considered an advance payment. Provide specific instructions for making advance payments; you must instruct the lender/servicer that you are making advance payments, for which loans, and for which months. Do not assume that sending extra money with your monthly payment is applied to future payments. Contact your lender/servicer for specific instructions.

Federal Loan Repayment Plans

Loan servicers provide an array of payment plans to make loan repayment flexible, convenient, and even less expensive. Please be advised that repayment options and incentives may not be guaranteed. Loan servicers may offer or rescind some options based on changes that affect student loan interest rates. The following are typical loan repayment plans. Please contact your loan servicer(s) for specific repayment details.

For detailed federal repayment information, we encourage you to review the Federal Student Aid website (<https://studentaid.gov>).

- Standard (*fixed*) Repayment
- Graduated Repayment
- Extended Repayment
- Income Driven Repayment Plans
 - Saving on a Valuable Education (SAVE) Plan—formerly the REPAYE Plan
 - Pay As You Earn (PAYE) Repayment Plan
 - Income-Based Repayment (IBR) Plan
 - Income-Contingent Repayment (ICR) Plan

Federal Loan Consolidation

You should consider consolidation primarily if you are having difficulty in managing your repayment obligations, but only after carefully reviewing the various loan repayment options available to federal loan borrowers. Consolidation reduces your monthly payments by increasing your loan repayment period for as long as 30 years. Federal and other private educational loans cannot be consolidated together. Loan consolidation is primarily for borrowers who need greater repayment flexibility, generally in order to avoid delinquency or default. Federal loans may be consolidated during the grace period or anytime during repayment.

There can be disadvantages to consolidation, so borrowers should contact their loan servicer(s) and/or the Federal Direct Consolidation Loan Program website (<https://studentaid.gov/loan-consolidation/>) to obtain specific information. We advise that borrowers then carefully consider their options to ensure that consolidation fits into their long-term financial planning. You always have the option of prepaying federal consolidation loans. Again, we advise borrowers to consider carefully both the advantages and disadvantages of consolidation before making any decisions.

Deferment and Forbearance

A **deferment** is a period of time for which an eligible student loan borrower, meeting specific requirements established by law and/or contained in the promissory note, may postpone monthly payments of principal and/or interest. A **forbearance** is an agreement (at the lender/servicer's option) to accept a temporary cessation of loan payments, an extension of time for making payments, or a smaller monthly payment than was previously scheduled. Forbearance may be given for circumstances that are not covered by deferment and which adversely affect the borrower's ability to meet loan payment obligations. Be sure to request deferment or forbearance as soon as you anticipate needing it, so that your request can be reviewed in a timely manner. If you are delinquent on your loans, lenders/servicers are frequently limited in the forms of assistance they can provide, so do not delay in contacting them.

On-Time Repayment Incentives

Lenders and loan servicers may offer repayment incentives on educational loans to encourage on-time repayment. Contact your lenders or servicers for more information about any incentive programs they may offer. Remember, too, that there is no penalty for pre-payment of educational loans.

Important Repayment Information

You must notify your lender(s) or servicer(s), preferably in writing, of any change in your circumstances or status, including:

- Change in name
- Change in address or telephone number
- Change in Social Security Number
- Change in graduation date
- Need to request a forbearance
- Need to apply for deferment
- Difficulty in making payments

Monthly loan payments are mandatory, even if you do not receive a bill. Failure to repay your student loans will lead to delinquency or default. We recommend that you maintain a file comprised of your loan documents, your payment records, and all your correspondence or communications with the lender(s)/servicer(s).

Please be advised that educational loans are not dischargeable in most bankruptcy proceedings. Read your promissory notes and disclosure statements.

Always keep in touch with your lender(s)/servicer(s)!

Delinquent or Defaulted Loan

Some possible consequences for delinquent or defaulted loans:

- The entire unpaid balance of your loan and any interest you owe becomes immediately due (this is called "acceleration").
- You can no longer receive deferment or forbearance, and you lose eligibility for other benefits, such as the ability to choose a repayment plan.
- You lose eligibility for additional *federal student aid*.
- The default is reported to credit bureaus, damaging your credit rating and affecting your ability to buy a car or house or to get a credit card.
- Your tax refunds and federal benefit payments may be withheld and applied toward repayment of your defaulted loan (this is called "Treasury offset").
- Your wages may be garnished. This means your employer may be required to withhold a portion of your pay and send it to your *loan holder* to repay your defaulted loan.
- Your loan holder can take you to court.
- You may not be able to purchase or sell assets such as real estate.
- You may be charged court costs, collection fees, attorney's fees, and other costs associated with the collection process.
- It may take years to reestablish a good credit record.
- You may forfeit participation in Columbia Law School's LRAP.

Columbia Law School Public Service Bridge Loan

The Public Service Bridge Loan supports Columbia Law School JD students who have demonstrated a commitment to public service. The Public Service Bridge Loan assists with the financial challenges public interest students may face in registering for bar courses and covering post-graduate living expenses.

The Public Service Bridge Loan for up to a maximum of \$10,000 in borrowing per participant for bar-related expenses is considered LRAP eligible debt. Qualifying LRAP employment is full-time

work that makes direct use of a graduate's legal education in the public interest or public service sectors, or in legal services for the poor. Public Service Bridge Loan applicants will be required to provide documentation of an offer to work in LRAP qualifying employment (reviewed by the CLS Office of Financial Aid), or, if unemployed, will apply with the intent to be employed in a full-time LRAP eligible paid position (as determined by the Office of Public Interest/Public Service).

Application Deadline: April 30, 2025. Applicants are eligible to apply for this loan during their 3L year and must complete the application by the last day of Law School Classes (April 30, 2025 for the 2024-2025 academic year). Public Service Bridge Loan Request Forms received by the Law School's Office of Financial Aid after the April 30, 2025 deadline WILL NOT be processed. No exceptions will be made. The application is available at the Office of Public Interest/Public Service website (www.law.columbia.edu/careers/public-interest/financing).

Columbia Law School Loan Repayment Assistance Program (LRAP)

Graduates entering qualifying employment, that is, full-time paid employment requiring a JD degree that makes use of your legal education in the public interest sector (non-profit organizations) or public service sector (government agency), or in legal services for the poor, are eligible for participation in LRAP. Graduates entering clerkships after graduation are also eligible for LRAP benefits, but the LRAP loan and accrued interest must be repaid within two (2) years after the end of the clerkship, unless the graduate continues in employment eligible for LRAP benefits. If you think you may be participating in this program, now or in the future, we strongly encourage you to obtain a copy of the program description from our website and read it carefully.

In addition to the traditional LRAP, participants may elect to participate in both the Columbia Law School LRAP and the federal Public Service Loan Forgiveness (PSLF) Program. For detailed information about the combined programs, please refer to the full program description.

A full description of the Program's policy, rules and limitations is available from the Office of Financial Aid (212-854-6522) or online (www.law.columbia.edu/about/departments/financial-aid/public-interest-funding/LRAP). A summary description of the LRAP application process is offered below.

Application forms are available from the Law School Office of Financial Aid or can be printed from our website.

Complete application materials consist of the following items:

1. The completed LRAP application form;
2. The completed Employment Verification Form;
3. Participation Preference Form for LRAP Application
4. A signed copy of your (and spouse's, if applicable) most recent federal income tax return, including all schedules and W-2 forms;
5. A letter from your employer stating your position, salary and employment start date;
6. Documentation of your monthly student loan repayment obligations [e.g., a copy of your monthly repayment schedule(s) issued by the lender(s)/servicer(s) showing the amount of each student loan payment and the date the first payment is due]. For traditional LRAP, it is recommended that your monthly student loan repayment statements be based on a repayment term which ends 10 years from your graduation date. It is highly recommended that all graduates consider consolidating any non-Direct Federal loans (FFELP/Perkins) through the Direct Loan Consolidation Program at the start of participation in the Columbia Law School LRAP in order to keep open the option to use the federal program now or in future years.

Recommended deadlines for submission of application materials.

- By August 1 or at least one month prior to the start of your employment: your initial LRAP application, including item numbers 1-5 listed above, should be submitted.
- By November 1: documentation of loan repayment obligations for federal loans (at minimum) should be submitted in order to receive initial benefits by December 1. All additional loan documentation should be submitted as soon as possible.

Benefits calculation and disbursement.

- Benefits are sent directly to the LRAP participant and generally are disbursed two times per year in January and in July. However, for first-time applicants, initial benefits are typically disbursed either just before your loan repayment begins or within one month after submission of your completed application.
- Reapplication is required annually in order to continue participation in the Program.

Helpful loan information.

- Some loans in the traditional LRAP, especially private or consolidation loans, may be scheduled on a repayment term which exceeds ten years. The traditional LRAP will only cover loans for ten years from your date of graduation. You may request re-disclosure of your loans to a minimum ten-year term from your loan servicer, or you may request that your loan servicer provide you with an estimate of your monthly repayment based on a term that ends 10 years from your graduation date (120-month repayment term). The traditional LRAP option will cover your loan payments at the ten-year term rate if you submit appropriate documentation with your application and you make monthly payments equal to that amount.
- For the combined programs, all graduates must consolidate any non-Direct Loans (FFELP/Perkins) through the Direct Loan Consolidation Program at the start of participation in the Columbia Law School LRAP.
- **NOTE:** It is highly recommended that all graduates consider Federal Direct Loan Consolidation for any non-Direct Loans (FFELP/Perkins) at the start of participation in the Columbia Law School LRAP in order to keep open the option to use the federal program now or in future years.

The Federal Public Service Loan Forgiveness Program

The College Cost Reduction and Access Act of 2007 (CCRAA) created a federal loan forgiveness option for borrowers who hold public service jobs. The federal loan forgiveness provisions require borrowers to have borrowed Direct Loans or to have consolidated any non-Direct federal loans through the Federal Direct Consolidation Program. As such, we advise that borrowers carefully review the federal program to ensure that their loan repayment options fit into their long-term financial planning. A host of additional information regarding the federal program is available on our website (www.law.columbia.edu/about/departments/financial-aid/public-interest-funding/LRAP).

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