A new federal program that will help public interest lawyers structure their repayment and eventually win loan forgiveness went into effect on July 1st.

A June 22nd *National Law Journal* article has the details:

The program will benefit law students in two key ways. Most prominent is loan forgiveness for public interest workers. After a borrower makes payments for 10 years on government-backed student loans, the government will forgive the remaining loan balance for those who qualify. The program guarantees loan forgiveness not only to lawyers who serve the public interest but also to a wide array of public service workers including teachers, law enforcement officers and certain health care professionals.

The loan forgiveness provision is intended to make it more affordable for college graduates to pursue public interest careers, which often come with lower salaries than in the private sector. Even with the recession, first-year associates at many major law firms are paid as much as $160,000; public interest attorneys can expect starting salaries of about $41,000, according to a survey last year by the National Association for Law Placement.

**INCOME-BASED REPAYMENT**

The second aspect of the new federal program that will benefit law graduates is the income-based repayment option, in which monthly loan payments are capped according to the borrower's annual income. Public interest attorneys must choose this repayment option to qualify for loan forgiveness, but graduates who don't go into public interest also may choose to participate. Under income-based repayment, monthly student loan payments are capped at 15% of the borrower's discretionary income. After the borrower makes qualifying payments for 25 years, the federal government will forgive any remaining loan debt.

Read the full *National Law Journal* article by clicking here.