

Jon Goldberg

To: DL_cardozolrap
Subject: Cardozo - Important LRAP Update - PLEASE READ

From: Jon Goldberg
Sent: Monday, April 20, 2020 12:01 AM
To: DL_cardozolrap <cardozolrap@yu.edu>
Subject: Cardozo - Important LRAP Update - PLEASE READ
Importance: High

Dear 2019 LRAP Recipients:

We hope that you and your loved ones are all doing well. Please carefully review this email. If you have any questions, please contact us at cardozolrap@yu.edu.

The LRAP committee has reviewed the recent federal student loan provisions in the CARES Act and the related effects on Cardozo's Loan Repayment Assistance Program.

The relevant federal student loan provisions in the CARES Act are as follows:

- All federal loan payments and accruing interest are suspended effective March 13, 2020 through September 30, 2020
- Payments which would have been due during the period of the payment suspension will count towards Public Service Loan Forgiveness (PSLF)

For detailed information regarding these relevant provisions in the CARES Act, please see the attachment and visit [HERE](#).

--

The Cardozo 2019 LRAP cycle covers student loan payments from December 2019 – November 2020 (12 months). Due to the automatic suspension of ALL federal Direct Loan payments, LRAP recipients with federal loans are not required to make their required payments for 6 - 7 consecutive months (March 13, 2020 – September 30, 2020). If your scheduled March 2020 payment preceded 3/13, then 6 months of payments (April 2020 – September 2020) will be suspended. If your scheduled March 2020 payment was scheduled after 3/13, then 7 months of payments (March 2020 – September 2020) will be suspended. **Please Note** – if your March 2020 scheduled payment was supposed to be suspended, but your loan servicer deducted your payment through auto-debit, you can request to have this payment refunded to you! Please contact your federal loan servicer directly to request the refund.

It is **recommended**, for federal loan borrowers who are pursuing PSLF, that you **DO NOT** make your federal loan payments from March 13, 2020 through September 30, 2020. This recommendation is based on the provision in the CARES Act that will officially count your non-payments from March 13, 2020 through September 30, 2020 towards the required 120 payments of PSLF! The non-payments during this time will be treated by the Dept of Ed as if the payments were actually made for the purpose of continually qualifying for PSLF. This is a great provision in the CARES Act!

However, if you anticipate that you will not go the distance in order to qualify for PSLF (for example, if you plan on switching to the private sector before the 10 years to qualify for PSLF), then you may want to continue making your federal loan payments while they are officially suspended. This is your decision. Your LRAP funding will still be treated as if you are not making your federal loan payments during the administrative forbearance. If you prefer to continue making your federal loan payments through September 30, 2020, please contact your federal loan servicer. You should have the option to continue making your payments voluntarily while your loans are still officially in an administrative

forbearance OR you can request for the administrative forbearance to be cancelled and for your loans to be placed back into active repayment.

Keep in mind that these provisions in the CARES Act only apply to federal student loans. The provisions do not apply to private loans or institutional loans.

--

LRAP recipients fall into the following three student loan categories: **federal only, federal and private/institutional, private/institutional only**. For the purposes of trying to maximize the financial impact of Cardozo's LRAP, based on the provisions outlined above for federal loans in the CARES Act, please review the three categories below, and select whichever one reflects your loan repayment. **Please note – we will automatically place you in one of these three categories based on the information provided in your 2019 LRAP application, and we will treat your LRAP funding accordingly. You do not need to notify us about your selected category since we already have these details. Please contact us if believe you do not fall into any of the three categories or if you anticipate other issues not covered below.**

REMINDER

- ***The Cardozo 2019 LRAP cycle covers student loan payments from December 2019 – November 2020 (12 months).***
- ***All federal student loan payments have been automatically suspended from March 13, 2020 – September 30, 2020 (6 – 7 months).***

A. Recipients who only have federal student loans in active repayment:

- Apply the full amount of your 2019 LRAP award towards your active 5 – 6 monthly federal payments during the 2019 LRAP cycle.
 - 2019 recipients **eligible** to receive funding for the 2020 LRAP cycle: Any amount of your 2019 LRAP funding that exceeds the sum of your 5 - 6 monthly federal loan payments due during the 2019 LRAP cycle, will be carried over and applied to your 2020 LRAP award. If your 2019 LRAP award is equal to or less than the sum of your 5 - 6 monthly federal loan payments due during the 2019 LRAP cycle, your 2019 LRAP award will not impact your 2020 LRAP award. This means that your 2019 LRAP award may end up covering 100 % (or more) of your minimum payments owed during the 2019 LRAP cycle. If your 2019 LRAP award covers more than 100% of your 2019 LRAP cycle minimum payments, we will reduce your 2020 LRAP award by the amount that exceeds 100% of your minimum payments owed during the 2019 LRAP cycle.
 - 2019 recipients **ineligible** to receive funding for the 2020 LRAP cycle: Any amount of your 2019 LRAP award that exceeds the sum of your 5 -6 federal loan payments due during the 2019 LRAP cycle will need to be applied to your federal loan payments following the end of the 2019 LRAP funding cycle (November 2020) until your remaining 2019 LRAP funding has been exhausted. If your 2019 LRAP award is equal to or less than the sum of your 5 -6 monthly federal loan payments due during the 2019 LRAP cycle, none of your 2019 LRAP award will need to be applied to your federal loan payments following the end of the 2019 LRAP funding cycle.

B. Recipients who have federal loans and private / institutional loans in active repayment:

- Apply the unused portion of your 2019 LRAP award towards your active 5 -6 monthly federal payments OR redirect the portion of unused LRAP funds towards your private and/or institutional loan payments during the 2019 LRAP cycle.
 - 2019 recipients **eligible** to receive funding for the 2020 LRAP cycle: Any amount of your 2019 LRAP award that exceeds the total sum of (1) your 5 - 6 monthly federal loan payments PLUS (2) the sum of your 12 months of private and/or institutional loans due during the 2019 LRAP cycle, will be carried over and applied to your 2020 LRAP award. If your 2019 LRAP funding is equal to

or less than the sum all of your federal and private and/or institutional loans owed during the 2019 LRAP cycle, none of your 2019 LRAP funding will be deducted from your 2020 LRAP award. This means that your 2019 LRAP award may end up covering 100 % (or more) of your minimum payments owed during the 2019 LRAP cycle. If your 2019 LRAP award covers more than 100% of your 2019 LRAP cycle minimum payments, we will reduce your 2020 LRAP award by the amount that exceeds 100% of your minimum payments owed during the 2019 LRAP cycle.

- 2019 recipients **ineligible** to receive funding for the 2020 LRAP cycle: Any amount of your 2019 LRAP funding that exceeds the total sum of (1) your 5 - federal loan payments PLUS (2) the sum of your 12 months of private and/or institutional loans, will need to be applied to your federal loan payments AND private and/or institutional loans following the end of the 2019 LRAP funding cycle (November 2020) until your remaining 2019 LRAP funding has been exhausted. If your 2019 LRAP award is equal to or less than the total sum of your 5 - 6 monthly federal loan payments and private and/or institutional loans, none of your 2019 LRAP funding will need to be applied to your student loan payments following the end of the 2019 LRAP funding cycle.
- The CARES Act does not affect your private or institutional loans.
- If you need to put your private and/or institutional loans in forbearance, please reach out to your loan servicer(s).

C. Recipients who only have private / institutional loans in active repayment:

- The CARES Act does not affect any of your student loans!
- If you need to put your private and/or institutional loans in forbearance, please reach out to your loan servicer(s).

Example: Pat Smith (*fictitious LRAP recipient*) received a 2019 LRAP award for \$2,250. Pat’s minimum federal loan payment is \$375/month, equaling \$4,500 for the year (\$375 x 12 months). Pat’s 2019 LRAP award initially covered 50% of her expected federal student loan payments for one year. Due to the automatic suspension of federal payments (from 3/13/20 – 9/30/20), 7 of Pat’s payments were suspended, leaving her with 5 active payments over the course of the 2019 LRAP cycle (December 2019 – November 2020). 5 active payments = \$1,875 (\$375 x 5 months). Pat applies her \$2,250 LRAP award towards her \$1,875 of minimum loan payments due, leaving her with a \$375 surplus of LRAP funding.

If Pat is eligible to receive an award from the upcoming 2020 LRAP cycle, the \$375 surplus will be carried over and applied to her 2020 LRAP award. (ie- Her 2020 award will be reduced by \$375.) If Pat is eligible to receive a \$3,000 2020 LRAP award, she will receive \$2,625 (\$3,000 - \$375 surplus). The \$375 surplus that Pat kept from her 2019 LRAP check will need to be applied to Pat’s loan payments during the 2020 LRAP cycle.

If Pat were ineligible to receive an LRAP award during the upcoming 2020 LRAP cycle, the \$375 surplus would still need to be applied to her federal student loan payments following the last payment month of the 2019 LRAP cycle (ie- used to cover her loan payment for December 2020).

Pat Smith’s Figures:

| | |
|---|------------|
| Federal Loan Monthly Payment | \$375.00 |
| Federal Loan Monthly Payment x 5 Months | \$1,875.00 |
| 2019 LRAP Award | \$2,250.00 |

Calculate Your 2019 LRAP Funding & Federal Student Loan Payments:

| | |
|---|----|
| Federal Loan Monthly Payment | \$ |
| Federal Loan Monthly Payment x 5 Months | \$ |
| 2019 LRAP Award | \$ |

Our goal with making these adjustments to Cardozo's LRAP is designed to maximize the financial impact of Cardozo's LRAP in a flexible, impactful, and equitable manner. The provisions outlined above regarding Cardozo's LRAP are subject to change based on the possibility of additional federal legislation, student loan changes, payment/interest suspension extensions, or changes to employment and income, etc.

The 2020 LRAP application will be available shortly. We will post the application to the Cardozo website (www.cardozo.yu.edu/lrap) and notify you once it is available.

If you have any questions, please feel free to contact us (by email only: cardozolrap@yu.edu). Be well and stay safe!

Best regards,

Jon Goldberg
Director of Student Finance

Alissa Bernstein
Director of the Center for Public Service Law