

Philadelphia Bar Foundation

MORRIS M. SHUSTER PUBLIC INTEREST FELLOWSHIP PROGRAM

2011 GUIDELINES & GUIDELINES CERTIFICATION

**INTRODUCTION**

The Morris M. Shuster Public Interest Fellowship Program provides educational loan repayment assistance in the form of forgivable loans to selected qualifying attorneys employed full-time by Philadelphia Bar Foundation (“PBF”) grantee organizations.

In 2003, Morris M. Shuster, Esquire recognized the burden that student loan obligations may represent for public interest attorneys, and so established the Fellowship as a means to help legal services organizations funded by PBF attract and retain qualified attorneys and thereby help provide ongoing stability to Philadelphia’s legal services system.

**ASSISTANCE**

One or more Shuster Fellows will receive a maximum of \$5,000 (Level 1 assistance: assistance will equal the recipient’s current “net annual educational loan indebtedness” or \$5,000, whichever is less). Two or more Shuster Fellows will receive a maximum of \$2,500 (Level 2 assistance: assistance will equal the recipient’s current “net annual educational loan indebtedness” or \$2,500, whichever is less).

**SELECTION**

Shuster Fellows are selected by way of two random drawings: (1) from among all eligible Level 1 applicants, and (2) from among all eligible Level 2 applicants.

**USE OF SHUSTER FELLOWSHIP FUNDS**

Shuster Fellows must use assistance received to make payments on qualifying educational debt as defined hereunder within a single calendar year and no later than December 31 of the calendar year immediately following the year in which Shuster Fellowship Program assistance is received.

Such annual payments on qualifying educational debt must equal at least the amount of Shuster assistance received.

**ELIGIBILITY**

**a. Employment.** Applicants may apply for Level 1 or Level 2 assistance based on the applicant’s number of years of employment as a practicing legal services attorney at one or more non-profit organizations, regardless of geographic location (Level 1 assistance requires a minimum of five years employment. Level 2 assistance requires a minimum of three years employment).

Shuster Fellows must be employed full-time by a qualifying employer and must be a “permanent hire employee” at the time assistance is received. A qualifying employer is a nonprofit organization that is a “general operating support” grantee of PBF (a list of qualifying employers is attached as Attachment #1). To be eligible, applicants may be employed by or have accepted full-time employment with a qualifying employer. Contract or temporary employees are ineligible.

b. **Licensure.** Applicants must be licensed to practice law in Pennsylvania.

c. **Financial Eligibility and Eligible Loans.** Applicants are determined to be financially eligible upon demonstration that he or she has a “net annual educational loan indebtedness” that equals or exceeds \$2,500.

“Net annual educational loan indebtedness” is defined as the yearly amount that is the obligation of the applicant to be repaid that results from all student loan indebtedness exclusive to the applicant from loans made by the government or an institutional provider for the education of the applicant after deducting any other student loan repayment assistance received, including but not limited to that received from a fellowship, law school or employer.

Family, personal, and credit card loans are ineligible. Loans for any purpose other than educational purposes are also ineligible

d. **Deadline.** Applications must be received by 5:00 p.m. on September 30, 2011 by the Philadelphia Bar Foundation, 1101 Market Street, 11<sup>th</sup> Floor, Philadelphia, PA 19107-2955

### ***FORGIVENESS and VERIFICATION OF ELIGIBILITY***

Shuster Fellowship assistance is provided in the form of a one-time forgivable loan. Loans given through the Shuster Fellowship Program are completely forgiven when Fellows: (1) immediately after assistance is received, complete one year of employment as a practicing legal services attorney with a qualifying employer and provide written certification by your employer of such employment, and (2) make educational debt payments (interest and/or principal) in a single calendar year and no later than December 31 of the calendar year immediately following the year in which Shuster Fellowship Program assistance is received that equal at least the amount of Shuster assistance received and provide reasonable proof of such educational loan payments.

If a Fellow leaves qualifying employment voluntarily and does not complete one year of employment at a qualifying employer and/or fails to make satisfactory educational debt payments, the Fellow shall notify the Philadelphia Bar Foundation and shall (1) refund the assistance on a pro rata basis for the time spent not working for a qualifying employer (if employment criteria is unmet), and/or (2) refund the portion of assistance not applied to the “net annual educational loan indebtedness” (if satisfactory educational debt payments are not made).

If a Fellow leaves qualifying employment, either involuntarily such as an unanticipated lay-off or in certain circumstances such as an illness of the participant or a family member, the Bar Foundation may in its sole discretion forgive the loan.

Shuster Fellows shall report to the Bar Foundation immediately (1) any changes in debt eligibility (e.g., the educational debt is paid off), as well as (2) employment status changes.

Each loan shall be documented by means of a promissory note executed by the borrower in a form provided by the Philadelphia Bar Foundation.

### ***MAXIMUM NUMBER OF FELLOWS PER EMPLOYER and REAPPLICATION WAITING PERIOD***

There shall be a maximum of one Fellow per qualifying employer per year. Fellows are ineligible to apply for future assistance for a period of three years.

## ***LOAN DISTRIBUTION and VERIFICATION OF ELIGIBILITY***

Assistance will be disbursed to Fellows in the form of one check. Shuster Fellowship Program assistance shall be used by Fellows to pay educational loan debt.

## ***FEDERAL INCOME TAX LIABILITY***

The Philadelphia Bar Foundation believes in good faith that the discharge of Shuster Fellowship Program loans will not create taxable income for loan recipients (Fellows) under the Internal Revenue Code, based on the exemption provided by 26 U.S. C. Section 108(f), as amended. However, there is very little authoritative legal guidance available to determine with certainty the proper tax treatment of this structure. The recipient (Fellow) remains solely responsible for any federal, state or local income tax liability s/he may incur because of the forgiveness of their Shuster Fellowship loan. Applicants should consult with their tax advisors regarding tax implications associated with the Shuster Fellowship Program.

## ***GUIDELINES CERTIFICATION***

I certify that I have read the 2010 Morris M. Shuster Public Interest Fellowship Program Guidelines and hereby agree to be bound by the criteria, responsibilities and obligations set forth in these Guidelines. I also certify that I am an eligible applicant under these Guidelines.

Name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

## ***CONTACT INFORMATION***

Inquiries about the Morris M. Shuster Public Interest Fellowship Program should be directed to:

Gene Sirni  
Executive Director  
Philadelphia Bar Foundation  
1101 Market Street - 11th Floor  
Philadelphia, PA 19107-2955  
215-238-6334  
Fax: 215-238-1159  
gsirni@philabar.org  
PhilaBarFoundation.org

ATTACHMENT #1

Philadelphia Bar Foundation

MORRIS M. SHUSTER PUBLIC INTEREST FELLOWSHIP PROGRAM

2011 QUALIFYING EMPLOYERS

- ACLU
- AIDS Law Project
- Atlantic Center for Capital Representation
- Community Legal Services
- Consumer Bankruptcy Assistant Project
- Court Appointed Special Advocates
- Custody and Support Assistance Clinic
- Defenders Association
- Defenders Association – Capital Representation Project
- Disabilities Rights Network
- Education Law Center
- Face to Face
- Friends of Farmworkers
- HIAS and Council Migration
- Homeless Advocacy Project
- Juvenile Law Center
- Legal Clinic for the Disabled
- Mazzoni Center
- Nationalities Service Center
- PA Health Law Project
- PA Immigration Resource Center
- PA Innocence Project
- PA Institutional Law Project
- Pennsylvanians for Modern Courts
- Philadelphia Legal Assistance
- Philadelphia Volunteers for the Indigent Program
- Philadelphia Volunteer Lawyers for Arts
- Public Interest Law Center of Philadelphia
- Regional Housing Legal Services
- SeniorLAW Center
- Society Created to Reduce Urban Blight
- Support Center for Child Advocates
- Women Against Abuse
- Women's Law Project
- Women Organized Against Rape

Philadelphia Bar Foundation

MORRIS M. SHUSTER PUBLIC INTEREST FELLOWSHIP PROGRAM

2011 ELIGIBILITY CHECKLIST

1. Are you a full-time legal services attorney who provides legal assistance and works for a qualifying employer and is considered a "permanent hire employee," or have you accepted such employment that commences at a future date? (a list of qualifying employers is attached as Attachment #1)

Yes \_\_\_\_\_ No \_\_\_\_\_

2. Are you currently licensed to practice law in Pennsylvania?

Yes \_\_\_\_\_ No \_\_\_\_\_

3. Have you been employed as a practicing legal services attorney at one or more non-profit organizations, regardless of geographic location, for either (1) a minimum of five years, or (2) a minimum of three years

Minimum 5-years \_\_\_\_\_ Minimum 3-years \_\_\_\_\_ No \_\_\_\_\_

I am applying for:

Level 1 Assistance (maximum \$5,000) \_\_\_\_\_ (minimum 5-year employment requirement)

**OR**

Level 2 Assistance (maximum \$2,500) \_\_\_\_\_ (minimum 3-year employment requirement)

4. After first subtracting from your "gross annual educational loan indebtedness" any and all loan repayment assistance received during calendar year 2011, including but not limited to that received from a fellowship, law school or employer, do you have a "net annual educational loan indebtedness," that includes but is not limited to undergraduate, graduate, and law school, that equals or exceeds the sum of \$2,500?

Yes \_\_\_\_\_ No \_\_\_\_\_

Philadelphia Bar Foundation

MORRIS M. SHUSTER PUBLIC INTEREST FELLOWSHIP PROGRAM

2011 APPLICATION and ELIGIBILITY VERIFICATION

**Applications with complete accompanying documentation must be received by the Philadelphia Bar Foundation by 5:00 p.m. on September 30, 2011 Please send applications in an envelope marked "Confidential" to:**

Gene Sirni  
Executive Director  
Philadelphia Bar Foundation  
1101 Market Street, 11<sup>th</sup> Floor  
Philadelphia, PA 19107

1. Name and Address of Applicant:

Name: \_\_\_\_\_

Work Address: \_\_\_\_\_

\_\_\_\_\_

Home Address: \_\_\_\_\_

\_\_\_\_\_

Work Telephone: \_\_\_\_\_ Home Telephone: \_\_\_\_\_

Work email: \_\_\_\_\_ Home email: \_\_\_\_\_

2. Past non-profit employer(s) and the current qualifying employer where you were previously and are currently (or will be) employed as a practicing legal services attorney; your position(s), and; dates of employment (a list of qualifying employers is attached as Attachment #1).

Past Employer: \_\_\_\_\_

Position: \_\_\_\_\_

Dates of Employment: \_\_\_\_\_

Past Employer: \_\_\_\_\_

Position: \_\_\_\_\_

Dates of Employment: \_\_\_\_\_

Past Employer: \_\_\_\_\_

Position: \_\_\_\_\_

Dates of Employment: \_\_\_\_\_

**Current Employer:** \_\_\_\_\_

**Position:** \_\_\_\_\_

**Dates of Employment:** \_\_\_\_\_

3. "Gross annual educational loan indebtedness" and "Net annual educational loan indebtedness"

"Net annual educational loan indebtedness" is arrived at by subtracting any and all educational loan repayment assistance received from your "gross annual educational loan indebtedness," including but not limited to assistance received from a fellowship, law school or employer.

**Attach a copy of a current educational loan account statement(s) verifying the amount of gross annual educational loan indebtedness and annual payment.**

Gross annual educational loan indebtedness \$ \_\_\_\_\_

Total annual educational loan assistance (minus) \$ \_\_\_\_\_

Source \_\_\_\_\_

Source \_\_\_\_\_

Source \_\_\_\_\_

Source \_\_\_\_\_

Net annual educational loan indebtedness (equals) \$ \_\_\_\_\_

4. Executive Director or Chief Operating Officer Eligibility Verification

I have reviewed the 2011 Guidelines for the Morris M. Shuster Public Interest Fellowship Program as well as the Application of the undersigned, and to the best of my knowledge the applicant is eligible for a 2011 Shuster Fellowship.

Name \_\_\_\_\_

Title \_\_\_\_\_

Signature \_\_\_\_\_

5. Application Certification

I hereby certify that all information provided as part of this application is true and complete to the best of my knowledge.

Name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

**6. Attach signed Guidelines & Guidelines Certification**

ATTACHMENT #1

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- Disabilities Rights Network
- Education Law Center
- Face to Face
- Friends of Farmworkers
- HIAS and Council Migration
- Homeless Advocacy Project
- Juvenile Law Center
- Legal Clinic for the Disabled
- Mazzoni Center
- Nationalities Service Center
- PA Health Law Project
- PA Immigration Resource Center
- PA Innocence Project
- PA Institutional Law Project
- Pennsylvanians for Modern Courts
- Philadelphia Legal Assistance
- Philadelphia Volunteers for the Indigent Program
- Philadelphia Volunteer Lawyers for Arts
- Public Interest Law Center of Philadelphia
- Regional Housing Legal Services
- SeniorLAW Center
- Society Created to Reduce Urban Blight
- Support Center for Child Advocates
- Women Against Abuse
- Women's Law Project
- Women Organized Against Rape