

Philadelphia Bar Foundation
Morris M. Shuster Public Interest Fellowship Program
2019 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.

Shuster Fellowship Assistance

Two levels of assistance are available based on applicants’ years of experience in public interest law.

Level 1 assistance: One or more selected Shuster Fellows with at least five years’ experience will receive assistance that equals the recipient’s current “net annual educational loan indebtedness” or \$5,000, whichever is less.

Level 2 assistance: Two or more selected Shuster Fellows with at least three years’ experience will receive assistance that equals 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: one from among all eligible Level 1 applicants, and another 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 (minimum average 30 paid hours per week) 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 November 18, 2019, by the Philadelphia Bar Foundation, 1101 Market Street, 11th Floor, Philadelphia, PA 19107-2955. Materials may be emailed to Jhilburnholmes@philabarfoundation.org with the subject line: 2019 SHUSTER PUBLIC INTEREST FELLOWSHIP APPLICATION, or mailed in an envelope marked "Confidential" to:

Jessica R. Hilburn-Holmes, Esq.
Executive Director
Philadelphia Bar Foundation

e. 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. To illustrate, if an applicant applies in 2019 and is selected as a 2019 Fellow, the Fellow may not apply again until 2022.

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 above 2019 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:

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1101 Market Street - 11th Floor
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215-238-6347
Fax: 215-238-1159
jhilburnholmes@philabarfoundation.org
PhilaBarFoundation.org

ATTACHMENT #1

Philadelphia Bar Foundation
MORRIS M. SHUSTER PUBLIC INTEREST FELLOWSHIP PROGRAM
2019 QUALIFYING EMPLOYERS

- ACLU-PA
- AIDS Law Project of Pennsylvania
- Atlantic Center for Capital Representation
- CeaseFirePA
- Community Legal Services
- Consumer Bankruptcy Assistant Project
- Court Appointed Special Advocates of Philadelphia
- Disability Rights Pennsylvania
- Education Law Center
- Esperanza Immigration Legal Services
- Face to Face Legal Center
- Good Shepherd Mediation Program
- Pennsylvania HIAS Indigent Immigration Legal Services
- Homeless Advocacy Project
- Justice at Work
- Juvenile Law Center
- Legal Clinic for the Disabled
- Mazzone Center Legal Services
- Military Assistance Project
- Nationalities Service Center
- Pennsylvania Capital Representation Project
- Pennsylvania Health Law Project
- Pennsylvania Immigration Resource Center
- Pennsylvania Innocence Project
- Pennsylvania Institutional Law Project
- Pennsylvanians for Modern Courts
- Philadelphia Landlord/Tenant Legal Help Center
- Philadelphia Lawyers for Social Equity
- Philadelphia Legal Assistance
- Philadelphia VIP
- Philadelphia Volunteer Lawyers for the Arts
- Public Interest Law Center of Philadelphia
- Regional Housing Legal Services
- SeniorLAW Center
- Support Center for Child Advocates
- Women Against Abuse
- Women Organized Against Rape
- Women's Law Project
- Youth Sentencing & Reentry Project