

President's Message

by Doris Henderson Causey



Relieving Law School Debt With Service Would Solve Two Problems

YOUNG LAWYERS THINK ABOUT two things: (1) loan debt and (2) finding a job to pay that debt off. The average law school debt is over \$100,000 and has been increasing for years. Many new lawyers have loan debts that are over \$200,000. *U.S. News and World Report* ranks law schools by the average debt and the percentage of graduates with that debt. A comparison of law school debt with the availability of jobs in today's market is shocking.

I, like most law school graduates, have significant law school debt. The forecast of paying that debt off is cloudy and with legislation to end the Public Service Loan Forgiveness Program the outlook has increased to noxious. When you enter law school you believe that you will find a job making at least \$100,000. This doesn't happen. The majority of law school graduates average a beginning salary significantly less than the expected amount. Statistically the job market has improved. However, I am not sure if it has improved because the number of jobs has increased or because the number of law school graduates has decreased. Young lawyers can't find a job making at least \$100,000 or an income that allows them to pay the minimum monthly payment on their loans. Many ask about jobs and how to go about getting a job that pays enough to earn a living, support a family, and pay their law school loans.

Virginia must assist with the increase in debt and availability of jobs. The wellness and future of the practice for young lawyers depends on it.

The programs that were available to baby boomers are no longer available to millennials. For example, in the past, husband and wife loans could be consolidated regardless of origin and available for forgiveness under various programs, and loans were easily discharged. Today, you can only consolidate your loans and they are not available for discharge. Additionally, the government has a variety of collection means — without the need of a court order. The government can garnish wages and offset tax refunds and benefits. Some states suspend your driver's license or professional license if you default or are significantly behind on your loan. Fortunately, Virginia is not one of those states. In some cases, there are federal programs available and free money to assist borrowers. There is some help available for specific public service attorneys.

The Public Loan Forgiveness Programs (PLFP) and various other student loan forgiveness programs are obtainable. Consolidation and income-based repayment programs are available and can reduce the monthly payments with the promise of forgiveness at the end of a specified period. The PLFP is a program that forgives the remaining balance of your loan after 10 years or 120 payments. However, the "forgiveness" of the

remaining balance is then calculated as income to the borrower. Thus, for that one year you are in a higher tax bracket and will owe more taxes for that year. It all depends on the amount forgiven. The Consumer Financial Protection Bureau is a great resource that provides information and answers regarding loans.

Lately, an influx of lenders will text, e-mail, advertise and mail various deals on student loan forgiveness. Borrowers beware; do your research. Legal Aid has found that many lenders and collection tactics were in violation of the law, which led to litigation and enforcement actions. Legal Services of Northern Virginia has started a student loan debt project that focuses on student loan litigation. Educational loans were being "wiped away" due to various general debt buyer defenses — statute of limitations, etc. Legal Aid programs are helping to educate borrowers about their options, erase some of the debt, and assist with loan collection practices. As a borrower, you have rights and should know what they are. You can find them in the student loan borrower bill of rights.

Virginia has a wide justice gap and eight law schools with graduates looking for jobs. Many of those graduates have loans. How can we attack this problem? Some states have programs that allow graduates to work only on low-income matters — either civil or

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criminal — and they receive a stipend plus loan repayment assistance. The University of Virginia Law School has one of the best loan repayment programs in the country, the Virginia Loan Forgiveness Program, but you must be a UVA Law School graduate to use it. It pays 100 percent of your law school loan if you earn less than \$55,000 annually and work in a public service position. Can this idea work for the State of Virginia too? Yes. A program should be started to assist the million plus Virginians that qualify for legal aid and to help pay the million plus owed in legal educational loan debt. I would like to see the commonwealth do this for all lawyers who provide pro bono services to help close

the justice gap, lawyers in government and legal aid, public defenders, and lawyers who provide legal services in rural areas. A program that provides attorneys with jobs plus loan forgiveness and provides citizens of Virginia with representation in critical times of need will improve our legal system and the commonwealth as a whole. Overall, I believe there are more attorneys willing to do pro bono work or work in the public sector if they did not have to worry about loans.

Legal educational loans should be similar and forgiven at the same rate and under the same conditions as medical educational loans. Right now this is rare in the legal job market. Yet, it is the norm in the medical job market. For example, Alaska will forgive your medical educational loans if you

moved and worked there for a period of time, but not your legal educational loans.

We can better the profession, schools, attorneys, citizens, and the courts by creating a way to assist with school loan debt and the need for legal services. All attorneys, legal employers, bar associations, and courts have realized the need for pro bono and the crippling effects of school debt. We must create a program that provides relief and forgiveness of both.