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## Loan Repayment Assistance Program

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The objective of the Ross School of Business Loan Repayment Assistance Program (LRAP) is to provide financial assistance to graduates who pursue careers in nonprofit and public sector organizations. *Award amounts will vary from year to year depending on the number of eligible applicants and available funds.*

The Loan Repayment Assurances Program will fund a portion of Ross graduate's Ross-related loan obligations for those who are employed full time in a position within public or nonprofit sectors. Graduate must apply each year. The calculated Loan Repayment Assurances Program amount for which the applicant is eligible is based on the applicant's financial position and that of the applicant's immediate family.

Must apply each year. Application will open September 1 and annual deadline is November 1\*. Completed applications may be mailed, dropped off, or emailed to the Ross Financial Aid Office.

*\*As a one-time exception, the deadline has been extended to November 30, 2023. This is a one-time exception per Ross Financial Aid.*

### ADMINISTRATION

The Ross Financial Aid Office administers LRAP, within the funding constraints, terms and structure of the program. The provisions of the program, subject to change, are as follows:

ELIGIBILITY: LRAP is open to all Ross graduates: who are now employed full-time with a qualifying employer (see *Employment* below). The applicant must have received U.S. federal direct loans and/or Perkins loans during their enrollment at Ross.

***Full Time MBA Ross students that graduated in 2021 and after will need to apply for educational loan assistance through the [Impact Advantage Program](#). LRAP will not be available to this population.***

- Graduates who were enrolled and attended Ross may participate in this program within eight (8) years of graduation.
- All applicants must be actively repaying loans and meet the LRAP income and employment requirements.

Applicants must be current on loan repayments at the time of application. Graduates working in positions that have both historically qualified for loan deferment or forbearance and by their nature are limited term assignments (e.g., Peace Corps, Ameri Corps, etc.) are eligible for consideration under the loan repayment program.

EMPLOYMENT: Nonprofit organizations in the United States that are tax-exempt under sections 501(c) (3), (4), or (6) of the Internal Revenue Code are suitable employers for this program. Jobs in local state or federal governments are also acceptable. Graduates working outside the U.S. for public or nonprofit organizations may be eligible to participate in the program, subject to documentation and approval.

ASSETS: Qualifying asset values are calculated using the FAFSA formula. A reasonable amount of assets will not disqualify an applicant for LRAP funds. However, possession of substantial physical and financial assets with income may result in ineligibility for LRAP funding.

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## 2024 LRAP PROCESSING AND REGULATIONS

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### A. Calculation

#### 1. Adjusted Income

The LRAP amount that an applicant receives is based on the applicant's Adjusted Income (AI). The AI is calculated using: Total Income + Assets (from the Income and Asset Statement), less Exemptions listed on tax return (\$9K spouse, \$8K per dependent child); and applicant's and spouse's non-Ross educational loan payment.

#### 2. Qualifying Adjusted Income

##### a) MBA graduates - all programs.

***FTMBA to whom have graduated in 2021 and after will be reviewed under the Impact Advantage program***

Under the LRAP formula, applicants with an AI of \$123,750 or less are not expected to contribute any payments towards the qualifying loans for that year up to \$8,000.

Applicants with an AI over \$123,750 are expected to contribute 20% of their income over \$123,750 toward the qualifying loans for that year. The balance of loan payments due will be funded by LRAP up to \$8,000.

LRAP award amounts will vary from year to year depending on the number of applicants and available funds. LRAP reimbursement limits also apply. If available LRAP funds are not sufficient to cover the required payments, the applicant remains responsible for paying the balance of the loan payments due.

NOTE: For 2024 LRAP, the \$123,750 amount was calculated based on 75% of the median based salary of the 2022 MBA graduation class. This amount will be recalculated each year based on the most recently available graduation class median based salary.

##### b) BBA graduates

Under the LRAP formula, applicants with an AI of \$67,500 or less are not expected to contribute any payments towards the qualifying loans for that year up to \$8,000.

Applicants with an AI over \$8,500 are expected to contribute 20% of their income over \$67,500 toward the qualifying loans for that year. The balance of loan payments due will be funded by LRAP up to \$8,000.

LRAP award amounts will vary from year to year depending on the number of applicants and available funds. LRAP reimbursement limits also apply. If available LRAP funds are not sufficient to cover the required payments, the applicant remains responsible for paying the balance of the loan payments due.

NOTE: For 2024 LRAP, the \$67,500 amount was calculated based on 75% of the median based salary of the 2022 BBA graduation class. This amount will be recalculated each year based on the most recently available graduation class median based salary.

### 3. Eligible Loan(s)

Only those loans borrowed to cover the estimated COA while enrolled and paying Ross tuition are eligible for LRAP funding.

- a) Dual Degree: students should note that eligible loan debt is Ross specific. Proration will be used to determine LRAP funding in these cases.
- b) Consolidated Loans: applicants that have chosen to consolidate their student loans, LRAP will be prorated based on the applicant's qualifying loans.

### 4.) LRAP Reimbursement Limits:

- LRAP participation is limited to the eight (8) years following graduation from Ross.
- LRAP reimbursement is capped at \$8,000 per year, for a total of \$64,000 per applicant.

## B. Disbursement

1. After eligibility is determined, available funds will be distributed among all eligible applicants. *Award amounts will vary from year to year depending on the number of eligible applicants and available funds.* Funds will be disbursed in January 2024. These payments may be considered taxable income in the calendar year received. Please check with a tax advisor for your tax liability.
2. If the award recipient becomes ineligible for funds received, the recipient must repay that portion for which she/he has become ineligible. *Therefore, all award recipients are required to report a change in employment should one occur.* The details for repayment of LRAP funds will be determined individually with the program administrator. The terms of the repayment will be based on the participant's salary after leaving qualifying employment. The amount to be repaid will be the amount the participant is not eligible for plus 7% simple interest.

## **APPLICATION PROCEDURES**

Incomplete applications will be denied. Annual deadline November 1<sup>\*</sup>, no exceptions.

- Complete Application along with Employment/Salary forms, and Income and Asset Statements.
- Include signed and completed supporting documents;
  - Federal Tax Return for the most recently completed tax year for applicant and spouse, if applicable.
  - 1040 and W-2, for applicant and spouse, if applicable
  - Educational Loan Summary
  - Payment schedules of educational loans for both Ross and non-Ross related loan obligations.
- Submit to Ross Financial Aid by mail, drop off, or email on or prior to November 1<sup>st\*</sup>.
- Applicants will be notified in December of results
- Approved applicants will receive LRAP check in January.

*\*As a one-time exception, the deadline has been extended to November 30, 2023. This is a one-time exception per Ross Financial Aid.*

## **LOAN REPAYMENT ASSISTANCE PROGRAM CHECKLIST FOR APPLICANTS**

*This document is for applicant's use only and should not be sent back to Ross Financial Aid.*

### **ELIGIBILITY CHECKLIST:**

- \_\_\_ Applicant is employed full-time in a position within the public or nonprofit sectors.
- \_\_\_ Applicant has educational loan debt associated with Ross attendance.
- \_\_\_ Applicant is a Stephen M. Ross School of Business graduate.
  - Applicants may participate within eight years of graduation. LRAP reimbursement is capped at \$8,000 per year and \$64,000 total per applicant. If full-time MBA who graduated in 2021 or after you do not qualify – please see the [Impact Advantage Program](#).
- \_\_\_ Applicant is actively repaying loans and current on loan repayments at the time of application.

*If you are able to answer yes to the above four questions, you may proceed with completing an Application.*

### **APPLICATION CHECKLIST:**

The LRAP Application consists of 4 pages.

- \_\_\_ LRAP Application (Page 5 of Application Packet).
- \_\_\_ LRAP Verification of Full-Time Employment/Salary of Applicant (Page 6 of Application Packet). **Requires Employer signature**
- \_\_\_ LRAP Verification of Full-Time Employment/Salary of Spouse, if applicable (Page 7 of Application Packet). **Requires Employer signature**
- \_\_\_ LRAP Income, Asset Statement and Verification of Ross Loan Debt (Page 8 of Application Packet).

### **SUPPORTING DOCUMENT CHECKLIST:**

- \_\_\_ Employer Proof of Tax-Exempt Status.
- \_\_\_ Federal Tax Return for the most recently completed tax year
  - \_\_\_ Federal Tax Return for the most recently completed tax year, for spouse, if applicable.

**The federal tax return must be signed and dated. A current signature and date is acceptable. Electronic signatures are not acceptable.**

- \_\_\_ 1040 and/or W-2
  - \_\_\_ 1040 and/or W-2, for spouse if applicable
- \_\_\_ Educational Loan Summary
- \_\_\_ Payment Schedules of educational loans for both Ross and non-Ross related loan obligations.

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## 2024 LOAN REPAYMENT ASSISTANCE PROGRAM (LRAP) APPLICATION

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Name: \_\_\_\_\_ UMID Number or Unique Name: \_\_\_\_\_

Home Address: \_\_\_\_\_  
*Full Address City, State and Zip*

Telephone: \_\_\_\_\_ Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Year of Graduation: \_\_\_\_\_

Dual Degree:  Yes  No

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

Full-Time  Part-Time

Title: \_\_\_\_\_

Employer Address: \_\_\_\_\_

Employer Telephone: \_\_\_\_\_

Date of Employment: \_\_\_\_\_

Describe your employer's activities and your responsibilities in the organization. Address the public service aspects of the organization. You may attach additional sheets and/or a resume.

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### **SUPPORTING DOCUMENTS REQUIRED**

1. Educational Loan Summary (available through lender or loan servicer)
2. Loan Payment Schedules of educational loans for both Ross and non-Ross related loan obligations. (available through lender or loan servicer)

### **Signature and Certification**

I declare that the information in this application is correct and complete to the best of my knowledge. The Ross Graduate Financial Aid Office may investigate and verify the information I have provided.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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## 2024 LRAP VERIFICATION OF FULL-TIME EMPLOYMENT/SALARY – APPLICANT

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**Instructions:**

1. Applicant to complete Part 1.
2. Employer to complete Part 2.

**SUPPORTING DOCUMENTS REQUIRED**

1. Employment Proof of Tax-Exempt Status (provided by employer)
2. Signed and dated Federal Tax Return for the most recently completed tax year (provided by applicant)
3. Applicant's most recent 1040 and/or W-2 (provided by applicant)

**NOTE:** The federal tax return must be signed and dated. A current signature and date is acceptable. Electronic signatures are not acceptable.

**PART 1 – Completed by Applicant**

TO (Name and Address of Employer): \_\_\_\_\_

I have applied to the University of Michigan's Ross School of Business Loan Repayment Assistance Program and stated that you are my employer. My signature below authorizes you to verify my employment information to the Stephen M. Ross School of Business at the University of Michigan.

Signature of Applicant: \_\_\_\_\_ Date: \_\_\_\_\_

Applicant's Name: \_\_\_\_\_

Applicant's Address: \_\_\_\_\_

**PART 2—Verification of Employment**

Applicant's Date of Employment: \_\_\_\_\_ Employed Full-Time:  Yes  No

Present Position Title: \_\_\_\_\_

Probability of Continued Employment: \_\_\_\_\_

Current Base Salary (*Enter appropriate salary below.*)

\$ \_\_\_\_\_ Annual      \$ \_\_\_\_\_ Monthly      \$ \_\_\_\_\_ Weekly

\$ \_\_\_\_\_ Hourly

If paid hourly, please indicate average number of hours per week: \_\_\_\_\_

If a bonus or overtime is applicable, please describe: \_\_\_\_\_

**PROVIDE PROOF OF YOUR TAX-EXEMPT STATUS**

Name of Employer/Supervisor: \_\_\_\_\_

Title: \_\_\_\_\_

Signature of Employer: \_\_\_\_\_ Date: \_\_\_\_\_

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## 2024 LRAP VERIFICATION OF FULL-TIME EMPLOYMENT/SALARY – SPOUSE

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**Instructions:**

3. Applicant's Spouse to complete Part 1.
4. Employer of applicant's spouse to complete Part 2.

**SUPPORTING DOCUMENTS REQUIRED**

4. Signed and dated Federal Tax Return for the most recently completed tax year (provided by applicant's spouse)
5. Applicant's most recent 1040 and/or W-2 (provided by applicant's spouse)

**NOTE:** The federal tax return must be signed and dated. A current signature and date is acceptable. Electronic signatures are not acceptable. If filed jointly with Applicant, than may submit only one signed copy of most recent Federal Tax Returns, must have both applicant's and spouse's signatures.

### PART 1 – Completed by Spouse

Applicant's Name: \_\_\_\_\_

Applicant's Address: \_\_\_\_\_

TO (Name and Address of Spouse's Employer): \_\_\_\_\_

I (applicant) have applied to the University of Michigan's Ross School of Business Loan Repayment Assistance Program and stated that you are my spouse's employer. My spouse's signature below authorizes you to verify employment information to the Stephen M. Ross School of Business at the University of Michigan.

Signature of Applicant's Spouse: \_\_\_\_\_ Date: \_\_\_\_\_

Applicant's Spouse Name: \_\_\_\_\_

### PART 2—Verification of Employment of Spouse

Spouse's Date of Employment: \_\_\_\_\_ Employed Full-Time:  Yes  No

Present Position Title: \_\_\_\_\_

Probability of Continued Employment: \_\_\_\_\_

Current Base Salary (Enter appropriate salary below.)

\$ \_\_\_\_\_ Annual      \$ \_\_\_\_\_ Monthly      \$ \_\_\_\_\_ Weekly

\$ \_\_\_\_\_ Hourly

If paid hourly, please indicate average number of hours per week: \_\_\_\_\_

If a bonus or overtime is applicable, please describe: \_\_\_\_\_

Name of Employer/Supervisor: \_\_\_\_\_

Title: \_\_\_\_\_

Signature of Employer: \_\_\_\_\_ Date: \_\_\_\_\_

## 2024 LRAP INCOME AND ASSET STATEMENT

Applicant's Name: \_\_\_\_\_

Filing Status:  Married  Single \_\_\_\_\_ Number of Children (Dependents)

Name of Dependents: \_\_\_\_\_ Relationship \_\_\_\_\_

**Income**

Applicant's Current Annual Salary \$ \_\_\_\_\_  
 Spouse's Current Annual Salary \$ \_\_\_\_\_

Other Current Income  
 Total Dividends \$ \_\_\_\_\_  
 Total Interest \$ \_\_\_\_\_  
 Other (List Below) \$ \_\_\_\_\_

Total Other Current Income \$ \_\_\_\_\_  
**Total Income** \$ \_\_\_\_\_

**Asset Information**

Cash, Savings and Checking Accounts \$ \_\_\_\_\_  
 Stocks, Bonds, CDs and Investments \$ \_\_\_\_\_  
 Trust Funds Total Value \$ \_\_\_\_\_  
 Other (e.g., Real Estate)—Please explain below. \$ \_\_\_\_\_

**Total Assets** \$ \_\_\_\_\_

**Education Debt Prior to Ross** *(Detail on Educational Loan Report)*

Applicant's Annual Payments \$ \_\_\_\_\_  
 Spouse's Annual Payments \$ \_\_\_\_\_  
**Total Annual Payments of Education Debt Prior to Ross** \$ \_\_\_\_\_

**Ross Debt** *(Dual degree totals will be prorated for graduates)*

Total Outstanding Student Loan Debt *(at time of application)* \$ \_\_\_\_\_  
 Current Annual Payments \$ \_\_\_\_\_

**For Federal Loans:**

Current Repayment Plan? \_\_\_\_\_  
 1.) Standard Repayment Plan 2.) Graduated Repayment Plan 3.) Extended Repayment Plan 4.) Revised Pay As You Earn Repayment Plan (REPAYE) 5.) Pay As You Earn Repayment Plan (PAYE) 6.) Income-Based Repayment Plan (IBR) 7.) Income-Contingent Repayment Plan (ICR) 8.) Income-Sensitive Repayment Plan

Are you signed up for Public Service Loan Forgiveness (PSLF)?  Yes  No

To borrowers with significant federal loan debt that plan to remain in the non-profit or public sector, we suggest that you look into signing up for [Public Service Loan Forgiveness \(PSLF\)](#). We recommend that borrowers refile their [PSLF paperwork](#) once a year or with employment change, to keep track of qualifying payments towards forgiveness.





**Loan Repayment Assistance Program (LRAP)  
Historical Report**

*Last 10 Years*

<b>Academic Year</b>	<b>Average Payment</b>
2014	\$ 2,640
2015	\$ 3,136
2016	\$ 3,875
2017	\$ 2,800
2018	\$ 4,717
2019	\$ 3,917
2020	\$ 4,578
2021	\$ 5,031
2022	\$ 5,603
2023	\$ 4,273

**2023 Highest Payment: \$8,000**

**2023 Lowest Payment: \$1,547**

*Note: Award amounts are subject to change annually, based on funding availability.*