Note to JRJ State Administering Agencies: the following form should be used only in cases wherein a JRJ program applicant has been selected to participate for the first time.

Appendix B

John R. Justice Student Loan Repayment Program (JRJSLRP)
Service Agreement

NAME:_____
In consideration of the student loan repayment incentive for which I have been offered under 42 U.S.C. §3797cc-21, I hereby agree as follows:

1. I will remain employed as a prosecutor or public defender for a period of service of not less than three years (36 months) unless involuntarily separated from my employment.

   In accordance with 42 U.S.C. §3797cc-21(b)(1), the term "prosecutor" is understood to mean a full-time employee of a State or unit of local government who—
   - (A) is continually licensed to practice law; and
   - (B) Prosecutes criminal or juvenile delinquency cases at the State or unit of local government level (including supervision, education, or training of other persons prosecuting such cases).

   In accordance with 42 U.S.C. §3797cc-21(b)(2), the term "public defender" is understood to mean an attorney who—
   - (A) Is continually licensed to practice law; and
   - (B) Is—
     - (i) a full-time employee of a State or unit of local government who provides legal representation to indigent persons in criminal or juvenile delinquency cases (including supervision, education, or training of other persons providing such representation);
     - (ii) a full-time employee of a nonprofit organization operating under contract with a State or unit of local government, who devotes substantially all of the employee's full-time employment to providing legal representation to indigent persons in criminal or juvenile delinquency cases (including supervision, education, or training of other persons providing such representation); or
     - (iii) employed as a full-time Federal defender attorney in a defender organization established pursuant to section 3006A of Title 18, that provides legal representation to indigent persons in criminal or juvenile delinquency cases.

2. I understand that JRJSLRP funds are a supplement to, not a substitute for, my personal student loan obligations. I understand that amounts to be paid on my behalf are subject to the availability of funds and my continued eligibility. I understand that if I do not remain eligible, then further loan repayment benefits may be denied although the service obligation will remain in force. I understand that the award of JRJSLRP in any fiscal year does not guarantee benefits in future fiscal years, and that awards are subject to the

availability of appropriations. I understand that any loan repayments made on my behalf may be taxable and subject to withholding.

3. I authorize the Department of Justice and/or the designated JRJSLRP State administrative agency, to verify the status, payment history, and outstanding balance of each qualifying loan, and to discuss the terms with the lender or note holder, or predecessors or successors in interest.

   The term "qualifying loan" is understood to have the same meaning as "student loan" in 42 U.S.C. §3797cc-21(b)(3):
   (1) A loan made, insured, or guaranteed under part B of subchapter IV of chapter 28 of Title 20;
   (2) A loan made under part C or D of subchapter IV of chapter 28 of Title 20; and
   (3) A loan made under section 1078-3 or 1087e(g) of Title 20.

   Further, the term "qualifying loan" is expressly understood not to include any of the following loans:
   (1) A loan made to the parents of a dependent student under section 1078-2 of Title 20.
   (2) A Federal Direct PLUS Loan made to the parents of a dependent student.
   (3) A loan made under section 1078-3 or 1087e(g) of Title 20 to the extent that such loan was used to repay a loan described in sub. (1) or (2) above.
4. I will notify the designated JRJSLRP State administrative agency, without delay, in writing, of any transfer to a new position or employing agency, identifying myself as a JRJSLRP beneficiary.

5. I will notify the designated JRJSLRP State administrative agency, without delay, in writing, of my intention to voluntarily separate, resign, or retire from my position as an eligible beneficiary before completing my service obligation under paragraph 1 above.

6. I will notify the designated JRJSLRP State administrative agency, without delay, in writing, of my status in default of any loan obligation with respect to a qualifying "student loan," as defined in 42 U.S.C. §3797cc-21(b)(3)(A).

7. In the event I voluntarily leave my position as an eligible beneficiary, or in the event I am involuntarily separated for misconduct or unacceptable performance before completing the agreed upon period of service, I will be indebted to the Federal government and must reimburse the Department of Justice for the full amount of any student loan repayments made on my behalf under this service agreement. I further acknowledge that a sum equal to the amount that I am required to repay shall be recoverable by the Federal government from me (or my estate, if applicable) by such methods as are provided by law for the recovery of amounts owed to the Federal government.

8. I understand and affirm that I remain responsible for making regular student loan payments, that such responsibility is not abated by selection for participation in the JRJSLRP, and that I am required to continue to make personal payments toward my qualifying loans to remain eligible for the JRJSLRP in the future. I understand that JRJSLRP payments will be made directly to the holder of my qualifying loan(s) and that I will not be the direct recipient of any such funds.

9. Loan repayments made on my behalf pursuant to this agreement do not exempt me from responsibility and/or liability for the full amount of any loan in which I am the debtor.

10. I am responsible for any income tax obligation resulting from the student loan repayments made on my behalf.

    The Bureau of Justice Assistance does not provide legal advice on possible tax obligations resulting from receipt of JRJ benefits. The following is provided for informational purposes only. Beneficiaries of JRJ Student Loan Repayment Program benefits remain personally responsible for, and should consult with their tax advisors for advice on, any tax obligations resulting from benefits paid on their behalf.

    As a courtesy to JRJ beneficiaries and state administering agencies, BJA has requested information from the Internal Revenue Service (IRS) that may be helpful to beneficiaries and JRJ state administering agencies (SAAs) in determining tax consequences of JRJ benefits. The IRS provided a response to that request and a copy of both the inquiry and response are available on our web site at: www.bja.gov/ProgramDetails.aspx?Program_ID=65.

11. I understand that, by law, repayment benefits made on my behalf cannot exceed $10,000 in any calendar year or an aggregate total of $60,000. This limitation should not, under any circumstances, be construed as an obligation of said benefits. This agreement may be modified by the parties, subject to the limitations of 42 U.S.C. §§ 3797cc-21(d) and (e), to provide additional student loan repayment benefits without the need for an entirely new agreement. Such modifications include, but are not limited to, the possibility of payment increases, or the extension of benefits beyond the initial three-year service obligation, in consideration for additional service commitment by the beneficiary, based upon terms to be determined by the parties.

12. Periods of leave without pay, or other periods during which I am not in a pay status do not count toward the completion of the required service period upon reemployment. The service completion date must be extended by the total time spent in non-pay status. However, absence because of uniformed service in a recognized branch of the United States military, authorized maternity/paternity, FMLA, or due to compensable injury is considered creditable (within the sole discretion of the Director of BJA) toward the required service period upon reemployment.

13. This agreement is null and void if I am not selected for JRJSLRP in the year I sign and date this agreement.

14. Privacy Act Notification: This information is provided pursuant to the Privacy Act of 1974 (Public Law 94-579), as amended, for individuals supplying information for inclusion in a system of records. The authority for the collection of this information is 42 U.S.C. §3797cc-21. The purpose of the John R. Justice Loan Repayment for Prosecutors and Public Defenders statute is to encourage qualified individuals to enter and continue employment as prosecutors and public defenders. This Agreement and related data are made part of the file to be used within the Department of Justice for record-keeping and management while participating in the John R. Justice Loan Repayment program. The information also may be disclosed outside the Department, as permitted by the Privacy Act and Freedom of Information Act, to the Congress, the Internal Revenue Service, and

pursuant to court order. You are asked to provide your Social Security Number. Please note that if you do not provide this information, and you are selected to participate in the John R. Justice Loan Repayment program, your Social Security Number will be required later to enable the Department to verify your eligibility status. Failure to submit this information will render this Agreement incomplete and you will be considered ineligible to participate in the program.

I, _____, agree to the terms of this Service Agreement.

_____ _____

SIGNATURE **DATE**