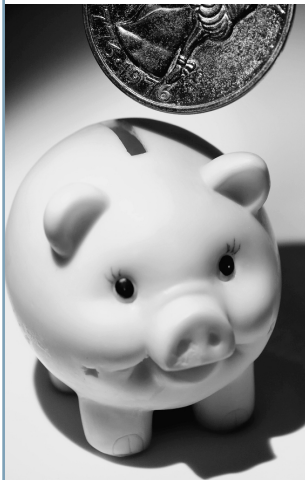




NEWSLETTER

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SPIRIT OF FORGIVENESS

- CHARISSE DENGLER

For graduates lugging around thousands of dollars in student debt, the prospect of financial freedom is enough to make them do just about anything, including volunteer their time for the good of others. By participating in volunteer loan forgiveness programs, students can have a portion of their debts forgiven after performing a designated amount of public service.

Among the volunteer organizations offering a debt repayment option are the AmeriCorps, the Peace Corps, the military, and various law schools.

The AmeriCorps, which is the largest program of its kind, has more than 75,000 volunteer positions available. The organization requires a one-year commitment, pays volunteers a salary of \$7,400, and awards \$4,725 in education money upon completion of the commitment. The funds can be used to pay for tuition or reduce existing student debt and can be received for up to two years. Loans can also be deferred for the

length of the volunteer's commitment.

However, if it's not possible to commit to a full year, graduates can serve anywhere from a minimum of 300 hours to a maximum of 1700 hours. In a case where a volunteer serves less than full-time, the education award is prorated. Volunteers may wait up to seven years to use the award after their period of service.

However, it is important to note that with only about \$616 a month provided for living expenses, this option might not be the best for graduates with other financial responsibilities such as car or house payments.

Volunteers in Service to America (VISTA) is one part of the AmeriCorps program. An organization committed to ending poverty, homelessness, and illiteracy across the nation, VISTA is a big supporter of community development. Founded in 1965, the organization has placed over 120,000 volunteers in national service positions.

Continued on page 2

HABITS FOR FINANCIAL SUCCESS

- CARLEEN TRAPP

You are well on your way to achieving your professional goals. That perfect job as an attorney at a great firm is within reach. It seems you are very close to having everything you've ever wanted. Or are you? When it comes to reaching your financial goals, your income is only half of the equation. You must also be able to manage your expenses. Developing good financial habits will help propel you down the road to financial success.

While you are in school, it may seem like many lenders are offering you money. You may have taken out the maximum federal loans each year, and you are adding to your debt with private loans. And let's not even talk about your credit cards! One key to achieving financial success in future years is to only borrow the minimum you require now. While you are attending school, the loans seem free, but wait until you graduate and that payment comes due. That's

when it will hit you that all that money was from LOANS. You will have to pay it back. Keeping your education loan debt to a minimum will help you manage your future payments. You should set up an in-school budget to calculate how much you will really need. Your financial aid office should also be able to provide you with approximate amounts required for tuition, housing, food, etc. You can then adjust these numbers to fit your specific situation. Figure out how much money you will require, and then stick to your budget. Remember that private loans typically have a higher interest rate; so try to avoid borrowing more private funds than are absolutely necessary. Also, watch your credit card spending, and try to use cash whenever possible. A credit card is just another form of a loan; so you should be concerned with your total debt from all sources. Avoid charging more to your credit cards than you can pay off each month. Although *Continued on page 2*

Although the market for student loan services is extremely broad, our company has chosen to focus on one elite niche: We cater to the particular needs of law students and graduates. On average, a juris doctorate student will have around \$100,000 in student loans by the time he or she graduates - a much larger amount than many other kinds of graduate students. A J.D. will also often have questions that only someone with a legal background would think to ask. Established and run by attorneys, Law School Loans is prepared to fulfill the needs of law school graduates at every level. We invite you to visit us at www.LawSchoolLoans.com.



NEWSLETTER

Habits For Financial Success continued from page 1

some of your education costs are predetermined, such as tuition, you do have control over many of your education expenses. You are responsible for controlling and minimizing the debt you incur.

In order to help you prepare for financial success, maintain records of all important transactions. It is crucial that you understand the terms and conditions of the financial obligations you are committing to. Instead of simply signing and returning your promissory note, read through all of the fine print; and save a copy of the loan agreement, disbursements, and interest statements. You should maintain records of all of your education loans, showing the names and addresses of your lenders, loan amounts, interest rates, and repayment terms. All of this information will be required should you decide to consolidate. Also, you can use this loan information to calculate your estimated monthly payments.

Additionally, you should keep all of your income tax returns and documentation used to prepare your taxes. As a general rule, you should keep your tax records for a minimum of seven years. Receipts for major purchases, such as computers, appliances, or electronics, should also be kept. You should also save your receipts each month to verify your credit card charges. This may seem like a lot of work, and you may start feeling more like an accountant than an attorney, but maintaining accurate financial records is a vital habit for

financial success.

Just like you did with the goals you have set for your professional career, identify your financial goals; and then gauge your progress toward achieving them. Ask yourself questions about the lifestyle you would like to have, at what age you would like to retire, and when you would like to purchase a home or a car. Then, come up with a plan to achieve these goals. Start setting aside some money each month to help you get on your way. You will be surprised how quickly it adds up, and how easy it is to save.

It is also critical to establish and maintain a good personal credit history. Your credit score will be used as the basis for determining your credit risk in the future; so protect your good credit by paying all of your bills on time, keeping your credit card balances low, and limiting the number of credit accounts you use. You should also check your credit report annually to verify the information is accurate. If you find errors on your credit history, you should promptly report those errors and take action to have them corrected.

The best thing you can do to protect your financial future is to be responsible for your financial present. Use the skills learned in law school to examine your loan documents and keep accurate records. Keep your spending and borrowing within manageable limits, and minimize your total debt. Through budgeting and planning for your financial future, you will develop the habits necessary to ensure all of your goals become reality.

Spirit Of Forgiveness continued from page 1

"VISTAs come from all walks of life and work among the poor, serving in rural and urban areas across the country," a statement on the organization's website reads. "VISTAs work with community based non-profit agencies where they share skills and experience to address issues such as homelessness, illiteracy, economic development, and neighborhood revitalization."

Since VISTA is affiliated with the AmeriCorps, volunteers with the organization are awarded the same educational funds. For the completion of 1,700 hours of volunteer work, VISTA will provide \$4,725 in education awards.

The Peace Corps, which sends its volunteers abroad, has more than 7,000 positions in business development, health, education, and agriculture. Like the AmeriCorps, volunteers get a living stipend that makes it possible to live as the locals live. However, it also covers medical, dental, and transportation costs.

The Corps also provides an additional \$6,000 to volunteers upon completion of their commitments in order to help make the transition into every-day life a little easier. The volunteers are free to use the money however they wish.

In return for service, the Peace Corps provides a 15% forgiveness of student loans for each year of the volunteer's

service; and students with Perkins, Stafford, Federal Direct, and Federal Consolidation loans can even have their loan payments deferred during their period of service with the Peace Corps. However, interest payments must still be paid despite the deferment on Stafford loans, Direct loans, and Consolidation loans that include any unsubsidized loans.

Military service can also qualify you for loan forgiveness (as well as gain you a nice six-pack), and graduates who serve in the Army National Guard can receive up to \$10,000 to put toward their student debt. Volunteers in especially hostile areas are eligible for even more. Specific programs and how to volunteer can be found by contacting your local recruiting office.

Other government agencies such as the departments of State and Justice and the Securities and Exchange Commission offer up to \$10,000 per year for graduates to put toward their student debt.

For law students, who often leave school with over \$80,000 dollars in loans, these repayment options are especially attractive. In addition, more than 50 law schools across the nation offer their own loan forgiveness programs for students who work in public interest or non-profit positions upon graduation.

Since public service and non-

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NEWSLETTER

profit jobs usually don't pay as much as other jobs, many companies offer loan forgiveness programs as an added perk. This way, they get the employees they need, and recent graduates get a little bit closer to financial freedom.

Also, with legal costs on the rise, the justice system has become less and less accessible to low-income families. Many in the legal field hope that loan forgiveness programs will help to remedy the situation by bringing more graduates into the public service realm.

A sampling of law schools with loan forgiveness programs includes Columbia University School of Law, Harvard Law School, Northwestern University School of Law, Yale Law School, Cornell University Law School, and Boston University School of Law.

"Boston University School of Law has a strong tradition of commitment to public service," the university's website states. "We recognize that many law graduates are finding it increasingly difficult to pursue public interest careers because salaries are insufficient to enable them to pay loans in addition to covering their living expenses."

The university recently received a contribution to its loan

forgiveness program that made it possible to award a total of \$45,000 annually to students in the program.

To apply for the program, students must go through the school's financial aid office. A student can apply for the funding up to ten years after he or she graduates, but partiality is shown to recent graduates. Once a student applies, a committee reviews the application. The committee considers the student's financial circumstances, including how much debt the student has and whether he or she has any dependents.

A complete list of law schools with loan forgiveness programs can be found at www.napil.org.

Students interested in loan forgiveness programs should apply early, be prepared to make a commitment, and be open to relocating.

More information on the organizations mentioned in this article can be found at

www.americorps.org,

www.peacecorps.gov, and

www.friendsofvista.org.

DEPARTMENT OF EDUCATION ISSUES HELP FOR AID ADMINISTRATORS

DEPARTMENT OF EDUCATION ISSUES HELP FOR AID ADMINISTRATORS

The Department of Education recently released a document meant to help the public better understand the Academic Competitiveness Grant and the National "SMART" Grant Program. The programs, which will go into affect during the 2006-2007 school year, were created when Congress passed the Higher Education Reconciliation Act in 2005. The new document is titled "Student Eligibility Options for New Academic Grants" and will help financial aid administrators and school counselors understand who exactly is eligible for the grants, making it easier to advise students during the financial aid process.

FAFSA CRITICIZED IN SCHOLARS' PAPER

In a paper written by two Harvard University Kennedy School of Government scholars, the FAFSA is blamed for keeping students out of college. The paper states that the complexity of the form and the relatively slow process of determining the amount of aid a student is eligible for actually hinder students from applying to college. The two writers proposed doing away with some of the questions and making the form much simpler as a way of ensuring students are not discouraged during the often-intimidating financial aid process.

LAW FIRM CELEBRATES 25 YEARS WITH SCHOLARSHIP

Steefel, Levitt & Weiss is celebrating its 25th anniversary by offering its first scholarship. The San Francisco-based firm is focused on promoting diversity in the legal field and will launch the Steefel, Levitt & Weiss Diversity Scholarship. Partnering with the University of California at Berkeley School of Law's Boalt Hall, the firm will award \$25,000 annually to a student going into his/her second year of law school. The student must demonstrate excellent academic performance and financial need, and special priority will be given to minority students. More information on the scholarship can be found on the firm's website at www.steefel.com.

MARINE CORP SCHOLARSHIP FOUNDATION HAS BANNER YEAR

The Marine Corps Scholarship Foundation, which awarded \$1.75 million in 2005, is a nonprofit, tax-exempt organization made up of men and women volunteers. This is the 13th consecutive year that the foundation has awarded more than a million dollars in financial aid. The foundation's goal is to make financial aid available to the family members of United States Marines and former Marines, and it gives preference to children whose parent or parents were killed or wounded in action. More information about the scholarship foundation can be found at www.marine-scholars.org.