

The Graduate School
of Political Management

THE GEORGE WASHINGTON UNIVERSITY

O'Dwyer Fund for Student Loan Forgiveness

Program Description and Application Instructions

APPLICATION DEADLINE:

Complete application and upload all attachments [HERE](#) (including employer certification) by **June 19, 2020**.

QUESTIONS?:

Please contact the director of academic administration, GSPM at sfarrand@gwu.edu.

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Introduction

The O'Dwyer Fund for Student Loan Forgiveness provides financial assistance to graduates of the Graduate School of Political Management with educational debt, who would otherwise be unable to choose public service employment. The scope of this program each year depends on the amount of funds available from the O'Dwyer Fund.

The O'Dwyer Fund offers loans to new graduates who are selected based on need and merit. Need is judged by the applicant's annual income and loan burden. Merit is based on type of employment, academic achievement and a written application statement.

O'Dwyer Fund loans are forgiven after a period of two years of qualified public service employment. If the recipient remains in his or her public service employment for two years, the loan will be forgiven at the end of the fiscal year (July 1 through June 30) following the year in which the grant was received. If the recipient remains in his or her job for at least a year but less than two years, half of the loan will be forgiven. If the recipient remains in his or her public service employment less than one year, the full loan must be repaid. The following criteria must be met for the loan to be repaid:

- the recipient has maintained full-time, public service employment;
- the income and assets of the recipient have not changed substantially since the date of application for the loan (as determined by the O'Dwyer Selection Committee);
- the proceeds from the O'Dwyer loan have been used to pay the recipient's student loan debts.

Any change in any or all of these conditions, at any point in the fiscal year, must be promptly reported to the GSPM in writing, directed to the Director of Academic Administration at the above address, within 30 days. Examples of a change in conditions include, but are not limited to: (1) going into deferment or forbearance status on loans included on your O'Dwyer application, (2) receiving a salary increase and (3) leaving one's job. If the recipient changes jobs during the loan period, he or she must report that immediately to the director of academic administration. If the recipient believes this new employment qualifies as public service, he or she can resubmit the employer certification for review by the Selection Committee.

Note Concerning Taxation of O'Dwyer Fund Awards

The University cannot offer you tax advice. However, in 1997, amendments to the Internal Revenue Code were adopted that were intended to render the forgiveness of loans such as those provided by the O'Dwyer Fund non-taxable. See IRS Publication 970, Tax Benefits for Higher Education. The University Comptroller has determined that the University is not required to issue either W-2's or 1099 forms for these loans or for their forgiveness. Further, the University has adopted the following statement:

1. The University is not required to withhold or report to the IRS on this type of loan forgiveness program; and
2. The applicants, if they are covered by the provisions of the IRS code relative to 'public needs' jobs, do not need to report the forgiveness as income for the purpose of their own income taxes. See IRC s. 108(f) and the IRS publication available at <http://www.irs.gov/pub/irs-pdf/p970.pdf>.
3. If the O'Dwyer loan enters repayment status and is unpaid, the income will become 1099 reportable for the recipient.

Interest paid on student loans may be deductible, under certain conditions, only to the extent that interest is not paid by the O'Dwyer loan. See IRS Publication 970, Tax Benefits for Higher Education. Note that if student loans are consolidated, *and any additional amount is added to the principal for any purpose other than qualified educational expenses*, NO interest paid on the consolidated loan is deductible.

Eligible Public Sector Employment

The following requirements of eligible employment are subject to Selection Subcommittee interpretation. Special circumstances may be considered. Qualifying employment must be:

1. Full time, defined as working approximately 30 or more hours per week;
2. Public Service, defined as follows:
 - a. Non-profit, 501(c)(3) organizations,
 - b. Agencies of the federal government or similar agencies at the state or local level,
 - c. The Congress of the United States or similar state or local legislative entities,
 - d. Any branch of the United States Military or state national guard.

NOT INCLUDED:

Not included for O'Dwyer Fund loan reimbursement is employment at organizations that are listed under IRS code 501(c)4, political action committees and political parties at the national, state or local level. If an applicant is employed at an organization that has both 501(c)4 and 501(c)3 entities, the applicant must be employed at least 75% of his or her time at the non-profit (501(c)3) entity.

Financial Eligibility Requirements

Income

There is no minimum or maximum salary limits for consideration of an O'Dwyer Loan. The Selection Committee will weigh the applicant's income and debt burden and judge need on those factors. If an O'Dwyer recipient receives a pay increase during the loan period, the Selection Committee will re-evaluate need based on the new salary figure. Recipients are required to disclose salary increases during the period of the loan. It is possible during this re-evaluation that the Selection Committee could terminate or reduce the amount of the O'Dwyer loan.

Debt

Eligible debts include all institutionally approved and certified educational loans for education leading to an undergraduate degree and/or a Master of Professional Studies earned at the Graduate School of Political Management. Stafford, Perkins, and other federal loans as well as educational loans through private lenders are eligible. Family or personal loans or loans for anything other than expenses included in the applicant's undergraduate or GSPM education are excluded.

Selection of Recipients and Loan Adjustments

O'Dwyer loans are not guaranteed for any GSPM graduate. Selection of recipients and the amount of awards depends upon the availability of funds. The Selection Committee retains the discretion to adjust awards to reflect considerations including, but not limited to:

1. the type of eligible employment and its contribution to the public good,
2. the applicant's proven commitment to public sector work,
3. the applicant's financial need and alternatives to meet that need,
4. geographical cost of living variations,
5. the types of loans at issue, and any consolidation of loans, and,
6. other sources of financial assistance available to assist applicants with loan repayment.

Timing and Repayment of Loans

Applications and Awards

Applications are due by 5:00 p.m. on **June 19, 2020**.

Disbursement

O'Dwyer award letters and loan acceptance/forgiveness forms will be mailed by the middle of July. Upon receipt by the director of academic administration of a completed loan acceptance form, a check for the full award will be mailed in September 2020.

Forgiveness

Loans made by the University to successful applicants are fully forgiven at the end of two years following the award. Written verification of this forgiveness shall be provided by the GSPM upon receipt from the recipient of written verification that:

- the recipient has maintained full-time, eligible public interest employment;
- the income and assets of the recipient have not changed materially since the date of application for the loan;
- the proceeds from the O'Dwyer loan have been used to pay the recipient's student loan debts.

A form for this purpose will be provided to loan recipients.

Repayment

For further information, please refer to the O'Dwyer Loan Promissory Note. Recipients who remain in eligible employment for two years following the O'Dwyer award will have all previous O'Dwyer Fund loans forgiven, and will not be required to repay such loans. A recipient will not qualify for complete loan forgiveness, however, if he or she leaves eligible employment during the period for which the award is made, as follows:

- If he or she leaves eligible employment within the first year of the two-year award, he or she will be required to pay back the entire award.
- If he or she leaves eligible employment after one year but before two years of the two-year award, he or she will be required to pay back half of the award.

The Selection Committee will consider a loan recipient's exigent circumstances in administering this requirement; however, recipients are expected to notify the director of student services promptly and in writing of any change in circumstances.

Changes in employment status or income

If a recipient changes or anticipates changing employment during the period for which he or she is receiving an O'Dwyer loan, the recipient must notify the director of student services immediately, in writing. If any new employment is also potentially eligible employment, the recipient must submit a new application including a new Employer Certification. The Selection Committee will determine whether the previously-awarded loan should continue, should be adjusted during that or a following fiscal year, or whether the recipient no longer qualifies for O'Dwyer assistance. If the recipient is not eligible for a continued loan, the recipient shall repay the loan already received for that period to the extent required in the section above.

Program Administration

The O'Dwyer Fund is administered by the O'Dwyer Fund Selection Committee, and managed by the GSPM's director of academic administration. Recipients will be selected by that committee.

Program Administrator

The director of academic administration will review and sort applications for O'Dwyer assistance, process certifications, oversee the sending and receiving of checks, review and verify financial aid and debt status of applicants, and participate in the selection process.

O'Dwyer Fund Selection Committee

The Selection Committee will update and revise the O'Dwyer Fund and its Program Description and Application Forms, disseminate applications and publicity, select among applicants for O'Dwyer loans, and provide other necessary oversight.