

Expanding Career Choices by Reducing Debt Pressure for Law Students

**Driving Diversity & Public Interest
Across the Profession**



If you're interested in applying for the Flywheel Fellows program, please submit your application details at:

<https://guiswrwl.paperform.co>





The Flywheel Fund for Career Choice gives law students more **power to choose** career paths that inspire them—by easing the burden of costly loan repayment.

The problem captured in two statistics:

Courtesy of the American Bar Association...

1 in 3

new lawyers **chose a career path different from what they initially expected** because of loans.

37%

say they chose a job that pays more money **“instead of a job I really wanted.”**

The debt burden of a legal degree limits diversity of law school applicants and restricts the range of career choices



- Many students arrive at law schools **planning to pursue public interest careers** (broadly defined).



- Yet the debt burden they incur leaves many grads feeling they have **little choice but to accept a “Big Law” job** to pay off their loans.



- **This pressure can discourage applicants** from attending and **results in poor employment fit** for firms and graduates alike.

The Flywheel Fellowship program



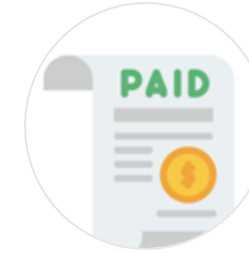
Flywheel Fellows gain access to up to \$170k to cover tuition & expenses over 3 years



No payments while in school or at any point when earning less than \$100k / year*



Payments tied to personal, not family, income (\$225k max personal earned income in any year)



Total payments capped at the cost of Federal Grad PLUS loans for highest earners

Benefits of being a Flywheel Fellow



Access to funding.

No cosigner required, no minimum credit score, no hidden fees.



Pay us back when it pays off.

Repayment begins 3 months after graduation, and only if you're employed. Focus on yourself and take the time to find the job you want after graduating.



Downside protection.

You don't have to pay in months when you're unemployed, and Stanford Law School's LRAP funding will fully offset any payment due if you earn below \$100k/year.



Upside protection.

If you pursue a high paying employment after graduation, rest easy knowing no additional repayment is due on (annualized) earnings above \$225k/year.



Maximum repayment term.

You'll stop paying after you've made 144 monthly payments (12 years), reached the maximum repayment amount, or been out of school for 216 months (18 years) —whichever comes first.



Repayment linked ONLY to personal earned income and not family income.

Flywheel Fund Program Terms and Benefits

	Description	Flywheel Fellow Terms
Loan amount available	Fellows may receive up to \$170k over the life of their J.D. towards tuition and tuition related expenses	\$28,333 will be made available to Fellows each semester
Affordability	Fellows will pay 1% of gross monthly earned income for each \$17K borrowed over the life of their J.D. until the expiration of the Payment Term	Maximum income share percentage will not exceed 10% of individual earned income
Downside protection	Fellows will not be personally liable for any payments in months where their monthly gross earned income is below \$8, 333.33 in any month (\$100k/year)	LRAP covers payments when earning less than \$8,333/month (equivalent to \$100k/year)
Monthly income cap	High-earners will keep 100% of earnings beyond \$225k and will be guaranteed to never pay more than they would have with a GradPLUS loan	Payments only owed on the first \$18,750 of monthly income (equivalent to \$225k/year)
Prepayment cap	Fellows seeking to prepay their Flywheel Income Share Loan will be able to do so at the GradPLUS interest rate	Prepay at the GradPLUS interest rate of 9.08%
Limited duration	Nothing more is owed after 144 payments have been made or 216 months have passed since the Payment Term began	FISL ends upon earliest of 144 payments, 216 months elapsed, or Fellow has prepaid at maximum APR cap
LRAP support	Stanford Law School will ensure that Fellows receive the same (or more) benefits from LRAP as they would with any other form of loan borrowing	Fellows will never be made worse off with regard to LRAP access relative to other borrowers

NOTE: Fellows may pay less or more than the amount they borrowed; APR cap equals 7.54% APR under the FISL

What are the **key dates & next steps?**

Key dates:

- Application is open!
- September 20th – Deadline to apply to Flywheel
- October 1st – Flywheel provides selection decisions to applicants

Next steps:

- Fill out your application today: <https://guiswrwl.paperform.co>



More questions? Read our student FAQs at flywheelfund.org/students

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Appendix

How will this program work with LRAP? (pt. 1 of 2)

Flywheel Fellows will follow the same LRAP guidelines with a few exceptions.

- **All forms of employment**, not just traditionally defined public interest or government service, will be eligible for LRAP support. NOTE, however, that LRAP support payments for non-public service/government employment will be taxable income under current law.
- **Spousal Income will not be included** in the determination of LRAP support. Joint assets/income will be reviewed by SLS committee.
- **LRAP support will extend to the full term** of the FISL agreement, not capped at 10 years.
- **SLS recognizes that this is a pilot** and issues may surface in the interaction of LRAP and the FISL that SLS has not contemplated. In addressing such situations, SLS has agreed to always make the adjustment that is more beneficial to the Flywheel Fellow (only capped at what they would have received under the standard LRAP).
- **Any LRAP provisions** that might lower the FISL payment will not be included (such as the seniority adjustment).



How will this program work with **LRAP?** (pt. 2 of 2)

→ **Eligible Flywheel Fellows' payments will be covered by LRAP.** Flywheel payments will be covered up to the amount a Fellow would have received if they borrowed from a lender. This means payments are fully covered up to \$100,000 in Personal Earned Income. Partial payment to about \$115,000 in Personal Earned Income. The Fellow will make their full payments when their Personal Earned Income is over \$115,000. (See LRAP calculator).

- **LRAP support for FISL repayment will be made directly** to the Flywheel Fellow. The Fellow will be responsible for making their payment to Flywheel.
- **LRAP will reconcile Personal Earned Income and FISL repayment amounts** for each eligible Fellow at the end of each year.
- **Any other loans** taken by the Fellow will follow the standard LRAP rules. SLS will prepare two calculations. One for the FISL agreement and one for other loans.



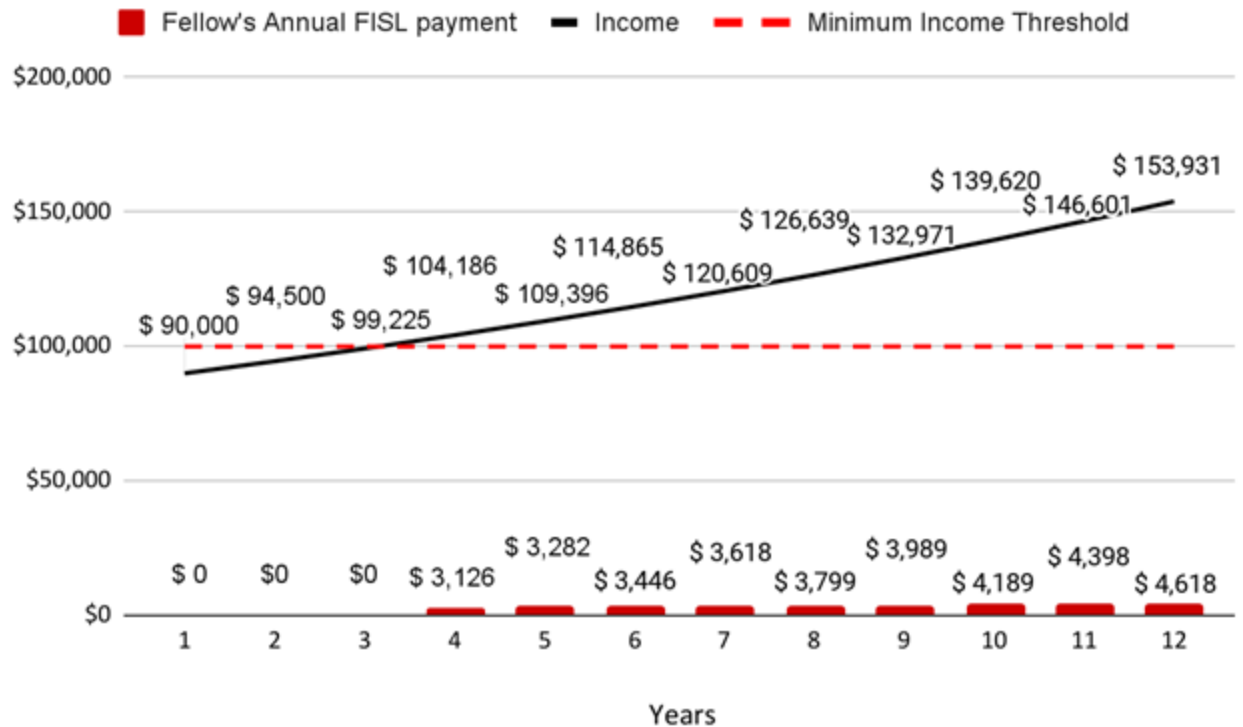
How the Flywheel Fellow program works

Example 1 – Darren

Background

- Darren is pursuing their J.D.
- They need \$51k over the course of their J.D. and join the Flywheel Fellow Program - their income share percentage is 3% (1% per \$17k borrowed)
- Upon graduation, Darren accepts a position with a nonprofit that defends low-income families being evicted from their homes.
- Darren's salary starts at \$90k and rises 5% each year. They stay with the nonprofit for 5 years before family obligations require them to put career on hold
- Darren never makes a payment until they are earning above \$100k (in year 4). If they do not rejoin the workforce (or rejoins 12 years after Payment Term start date) they will never make another payment

Payments over time



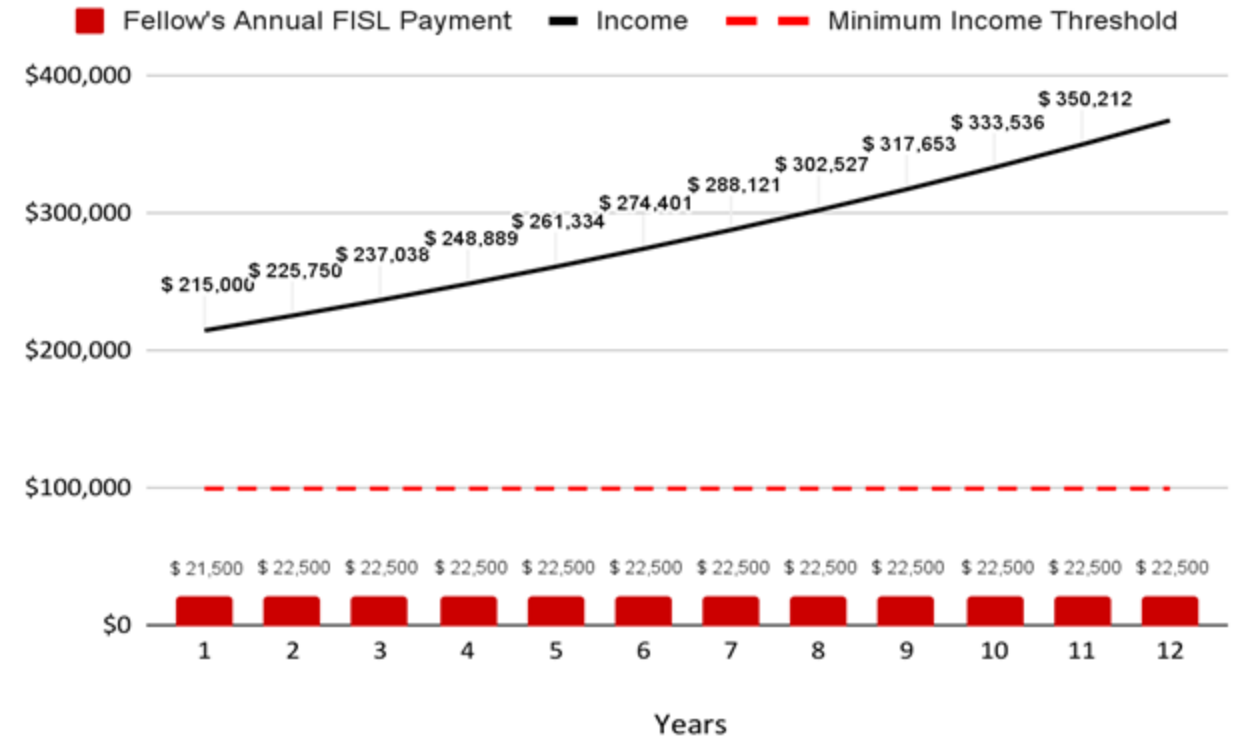
How the Flywheel Fellow program works

Example 2 – Kayla

Background

- **Kayla is pursuing their J.D.**
- **They need \$170k** over the course of their J.D. and joins the Flywheel Fellow Program - their income share percentage is 10%
- **Kayla wants to serve the public good**, but they are also attracted to the career opportunities and salary Big Law offers. They accept a job at a top firm and makes \$215k in their first year.
- **Kayla's salary increases by 5% each year and they stay at the firm for 12 years.** Because they are earning over \$225k/year, they pay the same amount (\$22.5k) each year after their 2nd year despite their increased salary
- **After 12 years, Kayla has paid off their FISL .** They know their payments have covered the education of other classmates who are working in nonprofit roles or in lower paying practices.

Payments over time



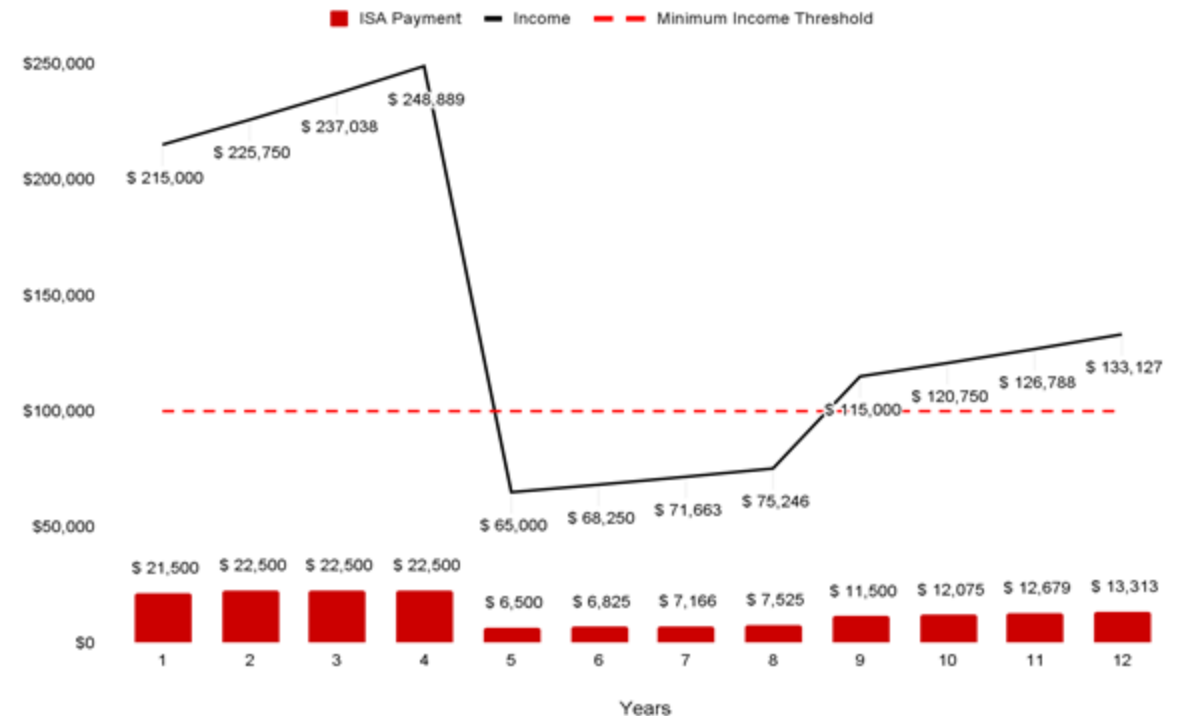
How the Flywheel Fellow program works

Example 3 – Salvador

Background

- Salvador is pursuing their J.D.
- They need \$170k over the course of their J.D. and join the Flywheel Fellow Program - their income share percentage is 10%
- Salvador accepts a job at private firm after graduation, They accept a job at a top firm and makes \$215k in their first year.
- Salvador, after three years in private practice, decides to join a local organization to be closer to their family. Because they are earning under \$100k/year, they pay nothing out of pocket and utilize Stanford LRAP program to make payments.
- After 8 years, Salvador is now a leader of the local organization. They are now making above the income threshold and must make the full payments without LRAP support.

Payments over time



The Flywheel Fund for Career Change

Elliot Schrage

J.D. 1986

Flywheel Fellows Program

David Kafafian

J.D. 2018

Stride Funding

info@flywheelfund.org