



Alison Monahan: Welcome back to the Law School Toolbox podcast. Today we're talking with Lyssa Thaden of AccessLex Institute, a non-profit which works to increase accessibility and affordability for law students. She's going to be talking about student loans and some other things.

Your Law School Toolbox hosts are Alison Monahan, that's me, and normally I'm here with Lee Burgess. We're here to demystify the law school and early legal career experience, so that you'll be the best law student and lawyer you can be.

Together we're the co-creators of the [Law School Toolbox](#), the [Bar Exam Toolbox](#), and the career-related website, [CareerDicta](#). I also run [The Girl's Guide to Law School](#). If you enjoy the show, please leave a review or rating on your favorite listening app and if you have any questions, don't hesitate to reach out to us. You can always reach us via the [contact form](#) on LawSchoolToolbox.com, and we would love to hear from you. With that, let's get started.

Alison Monahan: Welcome back to the Law School Toolbox podcast. Today we're talking with Lyssa Thaden, who's the managing director of the Center for Education and Financial Capability at AccessLex Institute, which is a non-profit working to increase accessibility and affordability for law students. Welcome, Lyssa.

Lyssa Thaden: Thank you so much for having me today.

Alison Monahan: Absolutely. My pleasure. To kick us off, can you give our listeners a sense of what AccessLex Institute does? Why it's relevant to law students? And maybe a little bit of your own background?

Lyssa Thaden: Sure. Thanks. So as you mentioned, AccessLex is a non-profit organization and we work with our 200 member organizations, which are the ABA-accredited law schools in this country. And as part of that, we work with law schools and pre-law advisors and a whole lot of law school students and pre-law students throughout the country.

Lyssa Thaden: Really, we're focused as an organization on working on issues of access, affordability, and value of legal education. We do that through a number of formats. Part of what we do is to work directly with students on issues of personal finance, which is what we're going to be talking about today. But we also do a lot of other work as an organization on research and policy to help support that goal of helping all students who are interested and capable of pursuing legal education do so, and again to help them grow from this aspiring lawyer to ultimately, a fulfilled professional.

Alison Monahan: Great. And how did you get involved with AccessLex? What's your background?



Lyssa Thaden: Yeah, I am one of those very interesting people who thinks it's fun to play with money, especially other people's money if possible. I got my PhD, not my JD, but I studied sociology. Part of my research really had to do with personal finance. I think of personal finance as both a personal problem as well as a social problem. It's thrilling for me to have come to AccessLex to help create a personal finance program just for law school students, to help them manage their personal finances, and particularly for law students whom, as you well know, often have a disproportionate amount of student loan debt in relationship to their starting salaries.

Alison Monahan: Yeah, definitely. I think sometimes people have this idea like oh, they're law school and yeah, okay, I'll take on \$200,000 in debt, but then I'll get this highly paid firm job at the end. The reality is that [starting salary distribution is bimodal](#). So yes, some people are making a lot of money to start, but a lot of people are not making very much. So I think that can be, as we'll talk about later, I think kind of a harsh reality for a lot of people to deal with. Just this idea that their expectations are not lining up with the reality, and what do they do with that? And now they have all this debt. It becomes a huge issue for people.

Lyssa Thaden: Absolutely. That's why I think it's wonderful when we have an opportunity to challenge students before they even make that decision to jump into law school in the first place, and help them really understand what those realities are and whether that's the bimodal salary that you just described or how to pay for law school in the first place. I think those are good and really important pieces of information and decisions that they should wrestle with before they hit that application button.

Alison Monahan: Yeah, well, let's actually talk about that. I mean, what in your opinion do you think students should be looking at or thinking about before committing to pay for law school, particularly if they're going to be paying with loans?

Lyssa Thaden: Such a great question. I think the first thing that I like to talk about with respect to students is that it's not just the law school cost. This is really in many ways a five-year process. There are all of these costs associated with applying to law school, and then you've got your, for most students, your three years of law school. And then there's also this space after graduation where you're done with law school but you haven't yet taken the bar exam. For most people going to law school, taking the bar exam and getting a job that requires passing of the bar is their ultimate goal. So it's really a long, again, a long process and a pretty expensive one in some ways.

Alison Monahan: Yeah. I think that's a great point, particularly about the bar passage. I mean, with the bar passage rates being what they are at this point in a lot of schools. I mean, that process alone can take more than the sort of six months that people typically think of. Living in California, you don't get results until November. So



some of these schools have abysmal pass rates and so you find out November after you've graduated in, say, June, that you didn't pass and now you have to study again for February and it's going to be May before you find out. I mean, that's already a year of your life.

Lyssa Thaden: It absolutely is. That's where I think that gathering information up front is really important. I think the first thing that students often look at is what's the sticker price for this school. And that's a good question to ask, but it doesn't get at all of the other details associated with that. I think one distinction we can make is between that sticker price and what you actually pay. There are certainly ways to heighten your chances of scholarship dollars. I'll talk about that in just a moment.

Lyssa Thaden: But I think the other thing that you're talking about that's also really important and it relates to being able to repay your student loan debt and how much of that investment you want to make is looking at law school outcomes as well, as you're going through that admission process. So looking at bar pass rates, graduation rates, employment rates, all of those kind of things to make sure that you feel confident that you're entering an educational experience that's going to allow you to get that professional opportunity on the end that you're looking for.

Alison Monahan: Yeah. Absolutely. I think we always try to encourage people to be realistic about their chances as well. It's all well and good to say oh, well one person from this school clerked for a prestigious judge or whatever it is that you want to do, but how realistic are you being.

Alison Monahan: Then I saw a ... it was kind of a funny survey at some point, I think, one of the test prep companies had done of incoming law students. They surveyed them, asking them where they thought they would end up in their first year of class. I think 50% of them were pretty sure they'd be in the top 10%. Then 90% were sure that they'd be in the top half of the class. It's like, well, that isn't numerically possible.

Alison Monahan: I think sometimes people get swayed by looking at the best possible outcome, but I always encourage people to look, at a minimum, at what are the average outcomes for this school, because that statistically speaking is where you're most likely to end up. And then also, to look kind of realistically about what are your worst-case scenarios. Like what if you are in that percent of people who don't pass the bar. What if you are in that percentage of people who don't get a job. What are you going to do?

Lyssa Thaden: I think that is so right on. I'm glad that you brought up kind of this how do you fit into the school, because I think that makes sense to think about from the very beginning of applying to law school. I'm going to take this slightly related to



your scholarship opportunities and ideally, you're borrowing the least amount of money possible.

Lyssa Thaden: The way that law school applications work is that at most law schools, that law school application is also the primary vehicle for your scholarship application. So being very careful and meticulous in putting together a really great law school application, making sure that you're investing the time up front for your test prep. And whether that's the LSAT or the GRE, making sure that you get the best score that you can. Certainly, that's not all that law schools are looking at when they're looking at your application, but there are certain indicators that help law schools determine what you're going to look like as a student for them.

Lyssa Thaden: I think if you're looking to maximize your opportunities for scholarship, not only do you submit your best work and your best application, but you also can take a look at some of the school's data via their 509 reports and see how you would stack up against their entering class. Look at their GPAs, undergraduate GPA averages. Look at their average LSAT scores. Take an educated guess about whether or not you would realistically be in that top 10% or that top 50%.

Alison Monahan: We did an interesting interview fairly recently with a friend of ours who tutors for the LSAT, [Nathan Fox](#). We can link to that. His point, really, was basically I encourage my students either ... if they're going to pay full price, it needs to be basically a very, very top school or take the money at a lower-cost school A, because you're taking the money, you're going to have less debt. That's always a good thing. And B, because you're probably going to actually be a stronger student at that school, so you're probably going to do pretty well.

Alison Monahan: So he was like basically the people who pay full price and barely squeak into these schools are essentially subsidizing the people who are going to be higher on the curve from them. And I was just like, huh. Hadn't really thought about it that way, but that's exactly correct.

Lyssa Thaden: I would agree with that assessment. I think that makes financially good sense for people, and I think any time you're put in a position where you feel confident in your own abilities and your own success, success begets success in many ways. I think that's smart advice.

Alison Monahan: I mean, it's a little bit harsh, but I thought it was very accurate.

Alison Monahan: Let me ask you a more specific question. So if someone is thinking about law school and obviously they're concerned about debt. They're thinking well, maybe I'll get a scholarship, maybe I won't. I'm not really sure. What if they want to run some scenarios? Maybe they get a partial scholarship. Maybe they pay full price. How can people kind of get information about what their loan repayments are likely to look like before they actually commit to law school?



Lyssa Thaden: Such a great thing to do, running scenarios. I'm going to actually give you our tool, which is [AccessLex.org/calculator](https://www.accesslex.org/calculator). Aspiring law school students can go in here. If you're a current law school student or a law school grad, you can use this tool, too. But what it will actually do is show you the cost of attendance at any given law school. Give you the ability to add in any scholarship or grants that you think you might get. You can adjust your cost of attendance if you know that you're going to be able to live with a parent, for example, and cut down some of your housing expenses. You could adjust that.

Lyssa Thaden: At the end of it, it's going to show you how much you would likely need to borrow for not only one year of law school but for your entire three years. I think it is important to look at the fact that this is really not just one year, it is that whole three-year investment. Interest is going to accrue on your student loan while you are in school too, so it's not just that initial amount that you've borrowed but that amount plus that interest.

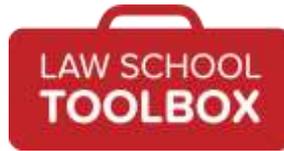
Lyssa Thaden: The great thing about our tool is it will then show you what your student loan repayment options are and what the monthly payments associated with those payment plans are.

Alison Monahan: Which I think can be very eye-opening for people.

Lyssa Thaden: It is very eye-opening, and I think in some cases it gives you a moment of pause, as it should. Average student loan debt between undergraduate and law school for an average student is over \$100,000 now. So that's a big purchase by, I think, anyone's definition. But I think the other thing that it can do is help that realistic expectations around what kind of salary you might need in order to support that student loan payoff.

Lyssa Thaden: And I think it also exposes students to the variety of income driven repayment plans that are available now as well for federal student loans. And those were created in order to allow people to be able to make, particularly for folks who may go into, say, public interest where they're making less than that six-figure starry-eyed salary that we may see on TV, and instead perform really valuable work in our community and not have to starve or live on a park bench.

Alison Monahan: Right. Exactly. One of the things you mentioned, I just want to touch on briefly. So, you mentioned undergrad debt. I know a lot of students have undergraduate debt. For me, I'd gone to a different graduate school, so I'd already paid for one graduate school basically just to get loans and then changed my mind completely about career path. What do you think people should be thinking about in terms of these existing loans while they're thinking either in law school or thinking about law school? I mean, I think, to be honest I think I just deferred mine and figured I'd deal with it later. But I'm not sure that's necessarily the best path.



Lyssa Thaden: Yeah. Such a great question. So if that is you, and you have undergraduate debt, I certainly did as well. I think that one thing to start off is knowing what kind of loans you have. As an undergraduate student, you may have received a subsidized loan. You may have received an unsubsidized loan. You may have received both. If you are fortunate and you had a subsidized loan, those loans actually, if you're in deferment, which particularly if you go back to law school and you're enrolled at least half time in a degree-seeking program, you can get what's called an in-school deferment. You don't need to make any payments on your loan while you're in an in-school deferment. And again, if you have one of those magic subsidized loans, no interest accrues on that loan while you're in that deferment.

Lyssa Thaden: But for many of us, we had unsubsidized loans. All of your law school loans are going to be unsubsidized loans, in one way, shape or form. So with those unsubsidized loans, interest is going to continue to accrue during a time of deferment or forbearance. Some students do different things. Some people will actually try to make payments on that interest while they're in school to help keep that overall loan debt down. That can be a good tactic, particularly knowing that when you get out and your loans go into repayment, any interest that's accrued is going to capitalize and add to that balance.

Lyssa Thaden: But for others, just having again the understanding of where you're at so that you can prepare. Maybe the smart decision, if you're not in a position to be able to make payments while you're in school.

Alison Monahan: I think for me, I had the best of intentions, but at some point, it's just like, well, I actually don't really have any extra money to throw at this problem, so I'm just going to deal with it later. I mean, at that point interest rates were much lower than they are now as well, which makes a real difference. But yeah, I think people just have to kind of figure out what they can do. Maybe your parents give you a Christmas present which you put towards your loan debt or something like that.

Alison Monahan: Well, all right. So, let's assume now I've decided. I've done the calculations. I've applied to law school. I've made my decision. Maybe I've gotten some scholarship money, maybe I haven't. What do you think students need to be thinking about while they're in school in terms of loans and debt and things like that? I mean, I'm assuming if they've, as you mentioned, these loans in law school are unsubsidized. That means they're basically going to start accruing interest from the time you sign the note. Is that right?

Lyssa Thaden: Close. From the time that those loans are dispersed, they will start accruing interest. So that's going to happen pretty much starting on day one of school, assuming that you've signed your paperwork and done all of those things.



Lyssa Thaden: I think there's a couple of strategic things that students can do. One of those is to recognize that when you get your financial aid award letter, most schools prepackage those student loans up to the cost of attendance. But you're not required to take that full amount of that loan. So, one of the things that I like to encourage people to do is to really sit down, and I know that budget is not a fun word, but take a look at what your expenses truly are and see whether or not you might be able to scale that back even just a little bit. Try that.

Lyssa Thaden: You can go to your financial aid office and ask them to reduce your loan amount. The good news is, if later in the semester you find out oh my gosh, I miscalculated and I did need some of that other loan money, you can go back to the financial aid office and you can ask to have that loan increased again. To your point earlier, because you waited a while to ask for that extra loan money, that interest won't accrue on that extra part-

Alison Monahan: Oh, how interesting.

Lyssa Thaden: ... until you actually get that disbursement.

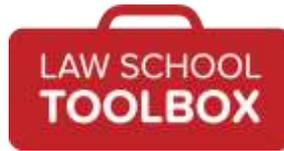
Alison Monahan: Right. So that could be a good strategy for people, if they think they can kind of stagger it a little bit. Yeah, even now we've done a couple of podcasts with people who've talked about this sort of thing, with opportunities in side hustles and the gig economy and things like this. Even things like dog walking apps. I mean, if you like dogs and you have an extra couple of hours a week, I mean that could actually ... doesn't seem like much, but it can really add up if you're looking at even a couple hundred dollars a month that you can not borrow. Because that can add up over time to quite a bit of money. That doesn't actually seem like that much at the time.

Lyssa Thaden: Absolutely. I think this is where another time to think about that whole five year or more process is also really helpful. So one of the things that sneaks up often on law school students is that financial aid is really only good for your academic year. For most schools, that's nine months. So what do you do during the summer? If you're fortunate, you have a great clerkship or internship that pays good money, or you have some other form of job that has some money.

Lyssa Thaden: But for a lot of people, particularly after that 3L year when you really want to focus some time on bar prep, there's all those expenses related to the bar exam and bar prep courses and living expenses. And there's no financial aid available for that time period. At least no federal financial aid available. And so I encourage students, if you can particularly from your 1L through early 3L year, maybe it's that extra gig money that you're bringing in or the dog walking money, setting that aside to help cover some of those post-3L expenses can be really important in enabling you to pay those bills, reducing your financial stress, allowing you to focus on that bar exam.



- Lyssa Thaden: The other thing I would do during this time, which is a little bit off the student loan path, but it actually feeds in a little bit, is to spend some time focusing on your credit report. I think that's valuable because of two things.
- Lyssa Thaden: One is if you find yourself needing to borrow a private student loan for some of those post-graduation expenses, or if you're looking to purchase a car or get a small business loan or anything like that post-graduation, you'll want to set yourself up with a good credit score.
- Lyssa Thaden: The other thing that can become important in many states is that they do look at financial information as part of the character and fitness exam. So we want to have you be prepared to be able to feel really comfortable about the financial decisions that you're making. And if you're in a state that does do a review of a credit report, that your credit report is in a place where you're going to feel really confident about the information that's being portrayed to those bar examiners as well.
- Alison Monahan: I think that's a great point, and something that I had not ever thought that carefully about. I mean, do you have any suggestions for what people can do? Particularly, say, somebody went straight from undergrad to law school. They don't have a ton of credit history necessarily. What can they do to improve or create this credit history?
- Lyssa Thaden: This is one place where student loans are actually a significant benefit to you, because they will get reported onto those credit reports. So as long as you are, once you hit at repayment, you make your payments on time, they can be a great way to help kind of flesh out part of your credit report. In addition to that, if you have a credit card or you're thinking about getting a credit card, that's a different kind of credit than a student loan is, so having those mix of different types of credit is very valuable to your credit score overall.
- Lyssa Thaden: The single most important thing that you can do is to make your payments on time. That's 35% of your credit score. So just even, for my own self, I got my first credit card when I was in high school. It was a gas card. And that can be a great way to go, because there's not a lot to buy at a gas station. So if you're not sure if you trust yourself with a credit card, I just encourage people to get something that's not very dangerous. You can go and fill up your car and then pay off that bill right away, even when you get home that same day, so that you aren't ever incurring an interest charge or you don't have a late payment or something like that. But you are establishing really good credit history there, and you're showing everyone who sees that credit report that you're responsible in making your payments.
- Alison Monahan: This is probably not the time to take up Bloomingdale's on their offer. They give you 10% off if you just sign up for their card. I think something simple, maybe



even a secured card if that's what people can get. I think automating at least a minimum payment every month so even if you're busy studying for exams and you forget that your bill is due, but at least you've set up that minimum payment so that you're not going to get a late fee and a charge. You may have to pay interest, which is not ideal, but at least it's not going as a black flag on your credit report.

Lyssa Thaden: That was such a great suggestion. I certainly have calendar alerts on my own phone for those purposes too. Whatever works for you to make sure that you make them on time, I'm a big fan of.

Alison Monahan: The other thing I learned is that you can actually call them and change the date that you want to set up your payments for. For me, I never think about this until the beginning of the month, so I've got everything set to be paid on the 10th or something, which is way better for me than when I had them pay ... they defaulted to the first of the month and I was constantly, I mean, I wasn't missing things but it was this constant sort of hassle. So you can actually call and they'll just change it to whatever you want.

Lyssa Thaden: You absolutely can. The longer than you have that established relationship with your creditor, you can even do things like ask them for a lower interest rate on your credit card over time. So if you find yourself in a position where you haven't been able to pay it off in full each month, but you have been regularly paying with them for some time, encourage you to do that as well and save yourself a little more cash.

Alison Monahan: Or as I used to do when I was in my first graduate school, we'd always look for 0% balance transfer offer. As long as you kept track of those and were responsible about it, it really could help out. But I don't encourage people to go in thinking to do that, but if you're in a problem zone where you've some extra credit card debt, definitely worth spending a few hours kind of looking at your options here.

Lyssa Thaden: Absolutely. You are full of great credit card advice.

Alison Monahan: Well, that's because I used to be a real financial mess. Not a total mess, but I was always looking for the angles. How could I improve this?

Alison Monahan: All right. Well, let's talk a little bit about some scenarios for people who've graduated from law school and are really struggling with their loan repayments. And what kind of advice you might have for them, programs to look into. Obviously, this is not legal advice. It's not financial advice. It is simply things you might want to take a look at. So I haven't been able to pass the bar, not an uncommon scenario these days, and I can't really find a job. Or I can't find a job



that requires, obviously, a law license and pays me a lot. So what can I do about my loans at this point?

Lyssa Thaden: So that's really hard. And that hard on a number of levels, right. There's logical and emotional challenge there and there's financial challenge there. I think the first thing is just to know that you're not alone. That there are people who can help. The first place that you probably want to start is by contacting your servicer. Your student loan servicer is the people that you're supposed to be making these payments to. They will have, because they're required to by federal law, have available to you a number of options. I would personally start by looking at all of the income driven repayment plans that are available.

Lyssa Thaden: As I mentioned earlier, the Department of Education and Congress created these programs to make sure that people could have a manageable payment with their student loans. Sometimes these payments are as low as zero dollars a month. And that's considered an on time paid in full payment for that time, if that's your calculated payment under these income driven plans.

Lyssa Thaden: Essentially how these work is they're going to take a look at your income. There's a portion of your income that's set aside, and that is going to not be touched. That's for living expenses. It's based on your family size. And then what they're going to do is above that set aside amount is what they're going to call your discretionary income. Your monthly payment is going to be between 10 and 20% of your discretionary income. That will be reevaluated each year, so as your income changes over time and as your situation changes over time, that monthly payment will change over time.

Lyssa Thaden: But again, it's only 10 to 20% of that discretionary income, and if your income doesn't even get up to that mark of what would be considered discretionary income, your monthly payment could be, in fact, zero dollars a month.

Alison Monahan: All right. So it sounds like a good, at least temporary option for someone who literally doesn't have work. I assume it would be kind of the same advice for someone who's not ... they have a job but they're not making enough money, really, to cover that full loan repayment and still eat. I mean, I assume income based is probably a good option for them as well.

Lyssa Thaden: Yeah. And you know, income-based repayment is actually a great option for lots of people. The way that this program was set up is that if you qualify for this program, at any point in time you can get into it, and you can stay in an income driven repayment plan for the entirety of your student loan payment.

Lyssa Thaden: If, by some chance, you have not yet paid off all of your student loan debt through one of these income driven plans, after either 20 or 25 years, depending on that plan, the remainder of your balance of your loan is actually



forgiven. Now there is a tax consequence related to that forgiveness, at least the way that the laws are currently written, but for many people that does allow them to spread out those payments, again, in a manageable way over a period of time. Eventually there is an end road to that.

Alison Monahan: Right. Yeah. I think definitely worth looking at sort of the tax implications, but as you sort of implied, who knows what it'll actually be like in 20 or 25 years. I sometimes think oh, I should totally have done that. But I didn't, so too late.

Alison Monahan: Say I've been working at a firm, like a lot of people do. They get out. They're making this high salary and people intend to pay off their loans. Ideally, pretty aggressively. I guess not everyone does. But now, you know, three to five years in, as 80% of associates do, you're kind of thinking about leaving for a lower paid position, maybe government, public interest, in-house. What should people be thinking about here, about their loans?

Lyssa Thaden: Yeah, such a great question. I think with all of these, you certainly have to take your own personal path into consideration and think about what you're going to be doing. But you also have to know exactly how much you've borrowed and what makes sense.

Lyssa Thaden: I'm going to take this in two directions. I'm going to talk first about public service loan forgiveness and then let's talk just a little bit about refinancing.

Lyssa Thaden: With public service loan forgiveness, what this program does is allows people who work in public service, and technically that's working at a 501c3 organization or for the federal, state or local government. There's a couple of other exceptions related to public service, but those are the two primary buckets of employment. You're working full time for one of those public service organizations, and you're making payments under either standard repayment plan, which is the default repayment plan for student loans, or under any of the income driven repayment plans, which you might well qualify for now if you're going from BigLaw to one of these lower paying public service positions. Then after those 120 payments, the remainder of that balance of your loan is forgiven, and with public service loan forgiveness, there's actually no tax consequence to that forgiveness.

Lyssa Thaden: So if you're someone who's making that transition and you still have a significant amount of loan debt available to pay off, then that might be something that you want to look at. I would go and check a calculator to see what it looks like your time horizon is still on that remaining balance, to see if you would even have anything left to pay off at the end of that 10 years. Because you may not, in which case you may want to continue to make payments as aggressively as you can, even within that lower income. But again, that's going to depend a little bit on what your other financial priorities are as



well. Maybe you're looking at buying a home at the same time, or something else, and you want to be a little more flexible in your budget.

Lyssa Thaden: I think the other to look is what is called refinancing your student loans. So, what we've been talking about so far is really primarily federal student loans. Those are what most students take when they go to school, and for most people, federal student loans come with lots of protections, which is why they're wonderful. We have all of these income driven repayment plans. There is public service loan forgiveness. There are what are called deferments and forbearances. And there are other things that happen if you become totally and permanently disabled. Your loans are forgiven, and some things like that.

Lyssa Thaden: But if you are someone who has good financial stability and you know what you want to do and you have a good plan, and probably if you're looking to make those transitions, you've been carefully looking at all sorts of things in your personal, professional and financial life. With a refinancing loan, you're taking that loan out of the federal programs and you are turning it into, essentially, a consumer loan. And this is a consumer loan with a bank or a credit union, or there are actually a number of other private organizations that do these refinance loans. The benefit to these loans is that they often have a substantially lower interest rate than federal student loans do. So, you may be able to take those federal student loans, refinance them into a private program at a substantially lower interest rate, and then be able to make payments on the remainder of that balance.

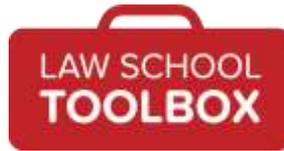
Alison Monahan: Okay. I'm assuming that would also kind of depend on your credit score and everything we talked about early, so another reason to keep that at its highest possible level.

Lyssa Thaden: It absolutely does depend on your credit score, and the rate that they offer you is going to be dependent on the credit score. Maybe not be what you see on that lovely printed piece of paper.

Alison Monahan: Or a billboard literally in San Francisco I've seen recently.

Lyssa Thaden: Literally.

Alison Monahan: All right. Well, quick question here. So, we're actually talking in the middle of the government shutdown. Well, I don't know if it's the middle. We are in the government shutdown. Are there any options for people in this type of scenario, whether it's they're not being paid or some other catastrophic financial thing that, hopefully, is short term hits? Is there any way to get a break on paying your loans in that type of scenario?



- Lyssa Thaden: Yeah, isn't this interesting times? So, the Department of Education actually came out with some guidance specifically for the federal employees that have been currently impacted. Their suggestions are twofold. One is if you are currently on an income driven repayment plan or if you're on a standard repayment plan but want to get into an income driven repayment plan, you do have the ability to reach out to your servicer or you can go directly to [studentloans.gov](https://studentloans.gov) and you can ask to have your payment amount reevaluated based on your current income, which for most of them is nothing right now.
- Lyssa Thaden: You could essentially end up in that scenario we were discussing where you might have a zero monthly payment and that would be considered an on time monthly payment. So, I'd certainly encourage people to pursue that option.
- Lyssa Thaden: The other option that's available to pursue is called a deferment or forbearance. There are unemployment deferments that are available, or economic hardship deferments that you can receive. These allow you to, again, make a zero-dollar payment for a period of time. There are, well, generally a deferment or forbearance is probably your second choice, because at the end of a deferment or a forbearance, any of the interest that has accrued during that time is going to be capitalized again, once you head out of that deferment or a forbearance. For anyone who is currently in looking to pursue public service loan forgiveness, payments or lack of payments during a deferment or forbearance do not count toward that 120 payments. But if you otherwise met eligibility for PSLF and you were in an income driven repayment plan, those payments could still potentially count.
- Alison Monahan: All right. So, it sounds like people basically need to talk to their servicer and also probably do some research on their own to understand sort of what their best options are going to be.
- Lyssa Thaden: Yeah. And the other thing that I would say is that again relates to federal student loans. If you have a private student loan, I would reach out directly to the servicer of that private loan. If you are in a situation where you have an unfriendly private loan servicer, I would encourage you to explore some of the programs that some of the big national lenders have come out with in the last few weeks. And even some of the local lenders where they're offering zero fee loans for affected federal employees, which could help you make payments on those loans during this time as well.
- Alison Monahan: Super interesting. All right. Well, let's switch gears a little bit, as we're rapidly out of time, and talk about the work that AccessLex is doing around law school diversity. So, can you tell me a little bit more about that?
- Lyssa Thaden: Yeah, absolutely. So, one of our big initiatives is being committed to understanding the barriers that really impede access to law school for



underrepresented groups. We want to be able to improve access by identifying what some of those accountable strategies might be, and public policies even, to increase law school affordability.

Lyssa Thaden: We're doing a number of projects. One of them is that last September we launched [our diversity pipeline program directory](#). This is kind of a cool tool that allows pre-law advisors, law school administrators, and even prospective students to take a look at different programs out there to help them maybe identify a program that might be a good fit for them, and to think about law school, to get support for law school applications, financial aid processes, all of those sorts of things.

Lyssa Thaden: We have a [diversity pipeline research grant program](#) which we started a couple of years ago as well. We're looking at identifying what some of those best practices are to help identify interested students and help those students successfully get into and through law school as well. We also have some collaborative data analysis projects working on with different campuses looking to help them on a school level with diversity on that campus, and doing some road map work, kind of collectively help the law school universe enroll diverse law school classes.

Alison Monahan: Yeah, that all sounds great. I guess my question is so I've seen studies suggesting, since we're talking about loan debt, that minority law students are disproportionately burdened by student loans. Even long after they've graduated. For example, if you look at the, after the JD study, the most recent one they've done, they were looking at, let's see, I don't remember exactly, but like 12 or 15 years out how many people still have loan debt, how much debt do they have. Frankly, minority students in some cases actually had more, even, debt than they'd had a few years earlier. Are there factors that you think diverse students should be weighing when they're considering law school, especially around debt and these long-term financial prospects?

Lyssa Thaden: That's such a hard question. I think this is one symptom of financial wealth gaps, certainly in this country, which are very real. I think the most important thing to focus on is that students understand their options. I think, unfortunately for many students, they don't have the network that has the knowledge to explain different student loan repayment options, even different funding options up front. We see disproportionately that students from underrepresented groups tend to apply later in the law school application process. And that has a significant impact on the amount of scholarship dollars that they may be potentially receiving on the front end, which has an impact, then, longer term on the amount that they're borrowing and what that long-term repayment plan looks like.



Lyssa Thaden: We are really concerned about this from policy perspective as well. Some of the bills that got put up last year related to the student loan reauthorization, excuse me, the Higher Ed Reauthorization Act had to do with limiting the amount of federal student loan dollars that a law school could take in a given year. That would be particularly problematic from an access perspective and so we're watching on that front as well.

Alison Monahan: Great. Well, this has been super helpful. Unfortunately, we are way over on time already, but I do want to ask you if you have any final tips, either for law students or young lawyers or anyone who's thinking about this whole issue, whether it's on kind of financial planning or managing their loan debt or things to be thinking about. Anything along those lines you want to share?

Lyssa Thaden: Thank you. I'm just going to close with this. We have our [MAX](#) personal finance program, and our tag line with that is actually strategy changes everything. I think that that really is applicable for student loans and all of your personal finance questions, really, that you have. Making a good decision for you might be a different decision for me, and this is one case where doing what your roommate or your colleague does might not be the right thing for you because we all have different, again, personal, professional and financial goals.

Lyssa Thaden: So understanding yourself and where you want to go and what you want to do, understanding the questions to ask and where to get that information is vitally important. I think for a lot of students who make that transition from law school into the profession, the last thing I want to leave you with is don't leave the free money on the table. So when you look at that HR employment packet and you see the fabulous information about retirement programs as well, don't forget that investing forward into your retirement is also really important at the same time that you're repaying your student loans, especially if there's a company match.

Alison Monahan: Yeah, I think the average in 28-year-old associates like, okay, whatever. I'll deal with that later. But hey, compound interest, it is for real. All right, well, before we end, how can people find out more about AccessLex and all the different programs that you offer?

Lyssa Thaden: We would love to have you visit our website at [AccessLex.org](https://www.accesslex.org). You can also follow us on Facebook, Twitter, and LinkedIn. And if any of you are out there and you have questions about your student loans or personal finances in general, we have our program. It's a free program called AccessConnex, where we have accredited financial counselors. You can call that toll-free help line at 844-755-HELP.

Alison Monahan: Okay, great. That sounds fantastic. Well, thank you so much for joining us. This has been very enlightening.



Lyssa Thaden: Thank you so much for having me.

Alison Monahan: My pleasure. If you enjoyed this episode of the Law School Toolbox podcast, please take a second to leave a review and rating on your favorite listening app because we would really appreciate it, and make sure to subscribe, so you don't miss anything. Typically, our new episodes are out on Monday. If you have any questions or comments, please don't hesitate to reach out to Lee or Alison at [Lee@lawschooltoolbox.com](mailto:Lee@lawschooltoolbox.com) or [alison@lawschooltoolbox.com](mailto:alison@lawschooltoolbox.com), or you can always contact us via our website contact form at [lawschooltoolbox.com](https://lawschooltoolbox.com). Thanks for listening and we'll talk soon. Good luck studying for finals!

#### **RESOURCES:**

- [MAX by AccessLex: Strategy Changes Everything](#)
- [AccessLex Student Loan Calculator](#)
- [AccessLex Diversity Pipeline Program Directory](#)
- [AccessLex Diversity Pipeline Research Grant Program](#)
- [StudentLoans.Gov](#)
- [Law School Myth #1: Lawyers Make a Lot of Money](#)
- [Podcast Episode 174: The LSAT is Going Digital \(w/Nathan Fox\)](#)