



**Teacher Education Assistance for College and
Higher Education Grant (TEACH Grant) Program**

Initial and Subsequent Counseling Guide

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What is the TEACH Grant Program?

The Teacher Education Assistance for College and Higher Education Grant (TEACH Grant) Program awards grants to students who intend to teach, to help pay for their postsecondary education. TEACH Grants are available to eligible students who are enrolled at a school that participates in the TEACH Grant Program, in a program of study that the school has designated as TEACH Grant-eligible.

If you're enrolled full-time, you can receive up to \$4,000 each year in TEACH Grant funds, up to a maximum of

- \$16,000 for undergraduate and/or post baccalaureate study, and
- \$8,000 for graduate study.

If you're enrolled less than full-time, the maximum TEACH Grant amount you can receive each year will be less. Your school will tell you the actual amount of TEACH Grant funds you qualify to receive each year.

As a condition for receiving a TEACH Grant, you must agree to teach full-time for at least four school years as a highly qualified teacher in a high-need field, at an elementary school, secondary school, or educational service agency that serves low-income students. This is called your "TEACH Grant service obligation." If you don't meet the service obligation requirements, your TEACH Grants will be converted to loans that you must repay.

TEACH Grants are different from other types of grants...

The term "grant" usually refers to money that doesn't have to be repaid. However, a TEACH Grant is different from other types of grants because if you don't meet the terms of your TEACH Grant service obligation, the TEACH Grants you received will be converted to Direct Unsubsidized Loans under the William D. Ford Federal Direct Loan (Direct Loan) Program that you must repay in full, with interest charged from the date of each TEACH Grant disbursement. For this reason, it's very important that you fully understand the terms and conditions of the TEACH Grant service obligation before you accept a TEACH Grant.

You must complete the required four years of teaching within eight years after you graduate from or otherwise stop attending the school where you received your TEACH Grant. If you receive a TEACH Grant at one school but before completing the program for which you received the grant you transfer to a different school and enroll in another TEACH Grant-eligible program, you must complete the four years of teaching within eight years after you graduate from or otherwise stop attending the other school.

Before receiving a TEACH Grant, you must complete TEACH Grant Initial and Subsequent Counseling, and sign a TEACH Grant Agreement to Serve or Repay.

What is TEACH Grant Initial and Subsequent Counseling?

TEACH Grant Initial and Subsequent Counseling explains the terms and conditions of the TEACH Grant service obligation, the circumstances under which a TEACH Grant will be converted to a Direct Unsubsidized Loan, and your responsibility for repayment if your TEACH Grant is converted to a loan. You're required to complete counseling before receiving your first TEACH Grant ("Initial Counseling") and also before receiving a new TEACH Grant for each subsequent year of your program of study ("Subsequent Counseling").

You must complete Initial and Subsequent counseling online at the U.S. Department of Education's [StudentAid.gov](https://studentaid.gov) website, as instructed by the school where you receive your TEACH Grant. There is a single counseling session that meets the requirements for both Initial Counseling and Subsequent Counseling. This counseling guide summarizes information you'll receive during TEACH Grant Initial and Subsequent Counseling.

We use the following terms throughout this Initial and Subsequent Counseling Guide:

We, us, our, or the Department

The U.S. Department of Education.

Agreement

The TEACH Grant Agreement to Serve or Repay that you must sign before you can receive a TEACH Grant.

Low-income school

An elementary school, secondary school, or educational service agency (ESA) serving low-income students.

School year

An elementary or secondary school academic year at the low-income school where you complete your TEACH Grant service obligation.

TEACH Grant servicer

The contractor that works with us to

- communicate with you regarding your TEACH Grant service obligation,
- monitor your progress toward completing your service obligation, and
- handle other administrative matters related to your service obligation. Our TEACH Grant servicer is **FedLoan Servicing**.

What is the TEACH Grant Agreement to Serve or Repay?

The TEACH Grant Agreement to Serve or Repay ("Agreement") is a legally binding document that

- explains your TEACH Grant service obligation;
- explains the conditions under which your TEACH Grant may be converted to a Direct Unsubsidized Loan; and
- describes the repayment terms and conditions that apply, and your rights, responsibilities, and benefits if your TEACH Grant is converted to a Direct Unsubsidized Loan.

Be sure to print and keep a copy of your signed Agreement for future reference.

By signing a TEACH Grant Agreement, you agree to

- meet the service obligation requirements of the TEACH Grant Program; or
- repay, with interest, the full amount of all TEACH Grants you received that are converted to Direct Unsubsidized Loans.

You must sign an Agreement **each year** that you receive a TEACH Grant, and you must complete TEACH Grant Initial and Subsequent Counseling before you can sign an Agreement.

It's important for you to thoroughly review your draft TEACH Grant Agreement before you submit it in order to make sure that you understand

- the terms and conditions of your TEACH Grant service obligation, and
- your legal obligation to repay your TEACH Grant as a Direct Unsubsidized Loan if you don't meet your service obligation requirements.

You must sign and submit your Agreement on our [StudentAid.gov](https://studentaid.gov) website, as instructed by the school where you receive your TEACH Grant. Your school will be notified when you submit your Agreement.

How will I know when I've received TEACH Grant funds?

For each TEACH Grant you receive, we'll send you a disclosure statement that provides important information about the TEACH Grant funds the school you're attending plans to disburse (pay out) to you.

Your disclosure statement will provide the following information:

- **Award Amount** – This is the total amount of TEACH Grant funds that the school you're attending plans to disburse.

- **Disbursement Dates and Amounts** – These are the dates and amounts of each TEACH Grant disbursement that your school plans to make. Your school will disburse your TEACH Grant in more than one installment, by crediting your account, paying you directly, or both.

Your school and our TEACH Grant servicer will notify you of the actual disbursement dates and amounts at the time of disbursement. Be sure to keep your disclosure statement and all other correspondence related to your TEACH Grant.

Can I cancel my TEACH Grant?

After the school you're attending has disbursed TEACH Grant funds to you, you can cancel all or part of your TEACH Grant by notifying your school by the later of

- 14 days after the date the school notifies you of your right to cancel all or part of the TEACH Grant; or
- the first day of the school's payment period (your school can tell you the first day of the payment period).

If you notify your school that you want to cancel your TEACH Grant within the timeframe described above, your school is required to return the TEACH Grant funds to the Department.

If you ask your school to cancel your TEACH Grant outside the timeframe described above, but within 120 days of the TEACH Grant disbursement date, your school may return the TEACH Grant funds to the Department, but isn't required to do so. If the school declines to do so, you can ask the TEACH Grant servicer to convert your TEACH Grant to a Direct Unsubsidized Loan that you can then repay.

You might want to ask to have your TEACH Grants converted to a loan if you decide (while you are still enrolled at the school where you received your TEACH Grant) that you no longer intend to satisfy your service obligation. This could be because you no longer plan to become a teacher, or for any other reason. By asking the TEACH Grant servicer to convert your TEACH Grant to a loan and then starting to repay the loan immediately, you can avoid additional interest that would accrue if you waited for the grant to be converted to a loan in the future. This can save you a lot of money in interest costs.

Any TEACH Grant funds that your school returns to the Department based on your request won't be converted to a Direct Unsubsidized Loan.

What are the TEACH Grant service obligation requirements?

To complete your service obligation, you must serve as a full-time teacher for at least four school years

- as a highly qualified teacher;
- at a low-income school; and

- in a high-need field.

For purposes of the TEACH Grant Program, a teacher is a person who provides direct classroom teaching or classroom-type teaching in a non-classroom setting, including special education teachers and reading specialists.

How many service obligations am I required to complete?

You must complete one four-year service obligation for all TEACH Grants you receive for undergraduate study, and one four-year service obligation for all TEACH Grants you receive for graduate study. For example, if you receive TEACH Grants for a bachelor's degree program and later receive additional TEACH Grants for a master's degree program, you'll have two separate four-year service obligations for each program. However, you may be able to apply the same teaching service to satisfy some or all of both service obligations, as explained in the examples below.

Examples: Applying the same teaching to more than one service obligation

Example 1

You complete a bachelor's degree program for which you received a TEACH Grant. Before you begin teaching to satisfy your service obligation for the bachelor's degree program you enroll in a master's degree program for which you receive a TEACH Grant.

- You request and receive a suspension of the eight-year period for completing your service obligation for the bachelor's degree program while you're enrolled in the master's degree program (we explain suspensions later in this counseling guide).
- After completing the master's degree program, you must complete four years of qualifying teaching service that will satisfy your service obligations for both programs.

Example 2

You complete a bachelor's degree program for which you received a TEACH Grant and begin qualifying teaching service to satisfy your service obligation.

- After completing one year of qualifying teaching service, you stop teaching and enroll in a master's degree program for which you receive a TEACH Grant.
- You request and receive a suspension of the eight-year period for completing your service obligation for the bachelor's degree program while you're enrolled in the master's degree program.
- After completing the master's degree program, you must complete four years of qualifying teaching service that will satisfy your service obligation for the master's

degree program and will concurrently fulfill the remaining three years of your service obligation for the bachelor's degree program.

Example 3

You complete a bachelor's degree program for which you received a TEACH Grant and begin qualifying teaching service to satisfy your service obligation.

- After teaching for one year, you enroll in a master's degree program for which you receive a TEACH Grant.
- You are enrolled in the master's degree program for two years, and during that period you continue to teach full-time.
- After completing the master's degree program, you must complete four years of qualifying teaching service that will satisfy your service obligation for the master's degree program and will concurrently fulfill the remaining year of your service obligation for the bachelor's degree program.
- The qualifying teaching service that you perform while enrolled in the master's degree program may only be applied to your service obligation for the bachelor's degree program.

Example 4

You complete a bachelor's degree program for which you received a TEACH Grant and then fully satisfy your four-year service obligation for that program.

- You later enroll in a master's degree program for which you receive a TEACH Grant.
- After completing the master's degree program, you must complete an additional four years of qualifying service to fulfill your service obligation for that program.
- No portion of the qualifying service that you completed for the bachelor's degree program may be applied to your service obligation for the master's degree program.

When do I have to start completing my service obligation?

You must complete each four-year service obligation within an eight-year period that begins on the date you graduate from or otherwise stop attending the school where you received your TEACH Grants. Under certain conditions that are explained later in this counseling guide, we may temporarily suspend the eight-year period for completing your service obligation.

If you receive a TEACH Grant at one school and then transfer to a different school and enroll in another TEACH Grant-eligible program at the same academic level (undergraduate or graduate) as the program

you were attending at the first school, the eight-year period begins when you graduate from or otherwise stop attending the other school.

What are the requirements to be a highly qualified teacher?

The requirements to be considered a highly qualified teacher are different depending on whether you teach at a public school or a private school. These requirements are explained below. You can also be considered a highly qualified teacher by meeting the requirements specified in section 602(10) of the Individuals With Disabilities Education Act.

Requirements to be a highly qualified public school teacher

If you're a public elementary or secondary school teacher (including a teacher employed by an educational service agency), to be considered highly qualified you must

- have obtained full state certification as a teacher (including certification obtained through alternative routes to certification) or passed the state teacher licensing examination and hold a license to teach in that state. If you teach in a public charter school, the term “highly qualified teacher” means that you meet the requirements in the state’s public charter school law; and
- not have had certification or licensure requirements waived on an emergency, temporary, or provisional basis.

In addition:

If you are a **teacher of elementary school students who is new to the profession**, you must hold at least a bachelor’s degree, and must have demonstrated, by passing a rigorous state test, subject knowledge and teaching skills in reading, writing, mathematics, and other areas of the basic elementary school curriculum (which may consist of passing a state-required certification or licensing test or tests in reading, writing, mathematics, and other areas of the basic elementary school curriculum).

If you're a **teacher of middle or secondary school students who is new to the profession**, you must hold at least a bachelor’s degree, and must have demonstrated a high level of competency in each of the academic subjects in which you teach by

- passing a rigorous state academic subject test in each of the academic subjects in which you teach (which may consist of a passing level of performance on a state-required certification or licensing test or tests in each of the academic subjects in which you teach); or
- successfully completing, in each of the academic subjects in which you teach, an academic major, a graduate degree, coursework equivalent to an undergraduate academic major, or advanced certification or credentialing.

If you're a **teacher of elementary, middle, or secondary school students who isn't new to the profession**, you must hold at least a bachelor’s degree and must **(1)** meet the applicable standards of a

teacher of elementary, middle, or secondary school students who is new to the profession; or **(2)** demonstrate competence in all the academic subjects in which you teach based on a highly objective, uniform state standard of evaluation that

- is set by the state for both grade appropriate academic subject matter knowledge and teaching skills;
- is aligned with challenging state academic content and student academic achievement standards and developed in consultation with core content specialists, teachers, principals, and school administrators;
- provides objective, coherent information about your attainment of core content knowledge in the academic subjects in which you teach;
- is applied uniformly to all teachers in the same academic subject and the same grade level throughout the state;
- takes into consideration, but isn't based primarily on, the time you have been teaching in the academic subject;
- is made available to the public upon request; and
- may involve multiple, objective measures of teacher competency.

Requirements to be a highly qualified private school teacher

If you're a teacher in a private, non-profit elementary or secondary school and you're exempt from state teacher certification requirements, to be considered highly qualified you must be permitted to satisfy rigorous subject knowledge and skills tests by taking competency tests in the applicable grade levels and subject areas, and you must satisfy those tests. The competency tests must be recognized by five or more states for the purposes of fulfilling the highly qualified teacher requirements for public school teachers as described above, and you must achieve a score on each test that equals or exceeds the average passing score for those states.

How can I identify low-income schools?

To satisfy your TEACH Grant service obligation, you must teach at a low-income school. A low-income school is an elementary or secondary school (public or private) or an educational service agency that is listed in the Department's Teacher Cancellation Low-Income Directory (TCLI Directory) at <https://studentaid.gov/tcli/>.

An **educational service agency** is a regional public multiservice agency (not a private organization) that is authorized by state law to develop, manage, and provide services or programs to local education agencies (such as public school districts).

All elementary schools, secondary schools, and educational service agencies operated by the Bureau of Indian Education (BIE) in the U.S. Department of the Interior or operated on Indian Reservations by Indian Tribal groups under contract or grant with the BIE qualify as low-income schools, even if they aren't listed in the TCLI Directory. A list of these schools is available in the BIE Directory at <https://bie.edu/Schools/index.htm>.

Low-income schools are listed in the TCLI Directory by school year. In some cases, a school or educational service agency that meets the eligibility requirements to be included in the TCLI Directory for a particular school year may no longer qualify for inclusion in the TCLI Directory for a subsequent school year.

If the low-income school where you teach is listed in the TCLI Directory for all or a part of one of your required four school years of teaching, but it no longer qualifies to be listed in the TCLI Directory for your subsequent years of teaching at that school, your subsequent years of teaching at that school will still qualify for purposes of satisfying your TEACH Grant service obligation.

Low-income school example

You complete one year of qualifying teaching service at School A during the 2021-22 school year. School A is listed in the TCLI Directory for the 2021-22 school year. You continue to teach at School A during the 2022-23 school year. However, beginning with that school year School A no longer qualifies as a low-income school and is not listed in the TCLI Directory. Your teaching at School A during the 2022-23 school year (and any subsequent years of teaching at School A) will still count toward satisfaction of your TEACH Grant service obligation.

What are high-need fields?

To satisfy the TEACH Grant service obligation, more than half of the classes that you teach must be in a high-need field. High-need fields are

- mathematics;
- science (including, but not limited to, computer science);
- foreign language;
- bilingual education;
- English language acquisition;
- special education;
- reading specialist; or

- any other field listed as high-need in the Teacher Shortage Area Nationwide Listing (Nationwide List) at <https://www2.ed.gov/about/offices/list/ope/pol/tsa.html> that is issued annually by the Department.

The Nationwide List includes fields that have been documented as high-need by the federal government, a state government, or a local educational agency. These high-need fields may be subject areas, geographic areas, or specific grade levels where it has been determined that there is a need for teachers. For example, a state could report a shortage of teachers of a particular academic subject, a shortage of teachers in specific counties within the state, or a shortage of teachers for a particular grade level, such as K through 6. The fields that are designated as high-need in the Nationwide List may change from year to year.

You can always satisfy your service obligation by teaching in one or more of the high-need fields of mathematics, science (including, but not limited to, computer science), foreign language, bilingual education, English language acquisition, special education, or reading specialist.

Additional requirements apply if you want to satisfy your service obligation by teaching in another high-need field listed in the Nationwide List. In that case, the high-need field must be listed in the Nationwide List for the state in which you're teaching

- at the time you begin teaching in that field, even if that field is later removed from the Nationwide List; or
- at the time you signed your Agreement or received your TEACH Grant, even if that field is no longer designated as high-need when you begin teaching.

Examples: Teaching in a high-need field listed in the Nationwide List

Example 1

You begin teaching to satisfy your service obligation during the 2021-22 school year. You're employed as an elementary school teacher in a state where elementary education is designated in the Nationwide List as a high-need field for the 2021-22 school year. Beginning with the 2022-23 school year, elementary education is no longer designated as a high-need field for the state where you're teaching. You can still satisfy your service obligation by serving as an elementary school teacher in that state, because elementary education was designated as high need at the time you began teaching in that field.

Example 2

At the time you received a TEACH Grant, history was designated as a high-need field in the Nationwide List for the state where you later begin teaching to satisfy your service obligation, but when you begin teaching, history is no longer designated as high-need. You can still satisfy your service obligation by teaching history because history was designated as high-need at the time you received a TEACH Grant.

What happens if I'm unable to complete a full year of teaching?

Under certain conditions, you can receive credit for a complete school year of qualifying teaching service even if you didn't teach for the full school year. If you don't complete a full school year of qualifying teaching service, the partial year of teaching will be counted as one of your four required years of teaching service only if

- you completed at least one-half of the school year;
- your employer considers you to have fulfilled your contract requirements for the school year for purposes of salary increases, tenure, and retirement;

and

- you were unable to complete the full school year of teaching because
 - you had a condition that is a qualifying reason for leave under the Family and Medical Leave Act (FMLA) (29 U.S.C. 2601 *et seq.*) as listed in 29 CFR 825.112 (see <https://dol.gov/agencies/whd/fmla> for more information);
 - you were called or ordered to Federal or State active duty, or Active Service as a member of a Reserve Component of the Armed Forces named in 10 U.S.C. 10101 or service as a member of the National Guard on full-time National Guard duty, as defined in 10 U.S.C. 101(d)(5). The reserve components of the Armed Forces are the Army National Guard of the United States, the Army Reserve, the Navy Reserve, the Marine Corps Reserve, the Air National Guard of the United States, the Air Force Reserve, and the Coast Guard Reserve; or
 - you were residing in or were employed in a federally declared major disaster area as defined in the Robert T. Stafford Disaster Relief and Emergency Assistance Act (43 U.S.C. 5122(2)).

Example: Teaching for less than a full school year

You perform qualifying teaching service for the first half of a school year and then go on maternity leave (a condition that is a qualifying reason for leave under the FMLA) for the remainder of the school year. Your employer considers you to have fulfilled your contract requirements for a full school year for purposes of salary increases, tenure, and retirement. The half year of teaching that you completed counts as one of your required four school years of teaching.

Can I teach at more than one school during the same school year?

If you teach at more than one low-income school during the same school year, that year of teaching will count as one of your required four school years of teaching service if

- each school or educational service agency where you taught is a low-income school;

- you provide your TEACH Grant servicer with a certification from one or more of the chief administrative officers of the schools or educational service agencies involved that the combined teaching is the equivalent of one school year of full-time employment; and
- more than half of the classes that you taught were in one or more high-need fields.

How do I show that I've completed a year of teaching?

After you complete each one of your four school years of required teaching, you must provide your TEACH Grant servicer with documentation of that year of teaching on a form that you can obtain from your TEACH Grant servicer.

The form used to document your teaching must be certified by the chief administrative officer of the school or ESA where you taught for the school year being certified and must confirm for that specified year

- you were a highly qualified teacher;
- you taught in a low-income school; and
- more than half of your classes that you taught during the period being certified were in a high-need field.

Document your teaching after completing each year...

Don't wait until you've completed all four years to document your teaching. Provide the required documentation as soon as possible after you complete each of the four years. Your TEACH Grant servicer will contact you periodically to remind you of this requirement.

Can I get additional time to complete my service obligation?

If you're temporarily unable to teach for certain reasons, you can request a suspension of the period for completing your TEACH Grant service obligation. If your request is approved, the period of suspension doesn't count against the eight-year timeframe for completing your required four years of teaching. Your eight-year service obligation period will then resume when the suspension ends. For example, if you receive a one-year suspension after the first two years of your eight-year period have elapsed, you'll have another six years to complete your required teaching service after the suspension period ends.

Qualifying suspension conditions

You can request a suspension of your service obligation period if you're temporarily unable to teach because you

- have returned to school and are enrolled in a program of study for which you would be eligible to receive a TEACH Grant, or you're enrolled in a program that will satisfy state requirements for elementary or secondary school teacher certification (**qualifying program suspension**);
- are receiving state-required instruction or otherwise fulfilling requirements to receive a license to teach in a state's elementary or secondary schools (**state-required instruction suspension**);
- have a condition that is a qualifying reason for leave under the Family and Medical Leave Act of 1993 (**FMLA suspension**);
- have been called or ordered to federal or state active duty or active service as a member of a reserve component of the Armed Forces named in 10 U.S.C. 10101, or service as a member of the National Guard on full-time National Guard duty, as defined in 10 U.S.C. 101(d) (5) (**military service suspension**);
- are the spouse of a military service member, and your spouse has received military orders for a deployment with a military unit or as an individual in support of a military operation for a period of not less than 180 days, or has received military orders for a change of permanent duty station from a location in the continental United States to a location outside the continental United States, or from a location in a state to any location outside of that state (**military spouse suspension**); or
- are residing in or are employed in a federally declared major disaster area as defined in the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)) (**disaster area suspension**).

On a case-by-case basis, we may also temporarily suspend the eight-year period for completing your service obligation if we determine that you were unable to complete a full school year of teaching or were unable to begin the next school year of teaching due to exceptional circumstances that significantly affect the operation of the low-income school where you were employed or your ability to teach.

Maximum suspension period

If you qualify for a suspension of the eight-year period for completing your service obligation, you can receive a suspension for periods of one year at a time. However, there are limits on the maximum period of time that you can receive a suspension of your service obligation period, as shown in the table on the next page.

Suspension Type(s)	Maximum Suspension Period
Qualifying program suspension State-required instruction suspension FMLA suspension	3 years (combined limit for all 3 suspension types)
Military service suspension	3 years
Military spouse suspension	3 years
Disaster area suspension	3 years

Maximum suspension period example

You request and receive two separate one-year suspensions based on your enrollment in a qualifying program of study, and a one-year suspension based on having a condition covered under the FMLA. You're not eligible for any further periods of qualifying program, state-required instruction, or FMLA suspension, because you've used your maximum three years of suspension based on these three conditions. However, you could still receive suspensions based on one of the other conditions for which you haven't used up your maximum eligibility.

Requesting a suspension

To receive a suspension, you must submit a suspension request to your TEACH Grant servicer, on a form you can obtain from the servicer. For military service or disaster area suspensions, your personal representative can request the suspension on your behalf if you're unable to do so.

You must request a suspension **before** your TEACH Grants have been converted to Direct Unsubsidized Loans.

Can my TEACH Grant service obligation ever be cancelled?

Under certain conditions as explained below, we'll discharge (cancel) all or a portion of your TEACH Grant service obligation. This means that you'll no longer be required to complete all or a portion of your service obligation, and your TEACH Grants won't be converted to Direct Unsubsidized Loans.

Discharge due to death or total and permanent disability

We'll discharge your entire TEACH Grant service obligation if

- you die; or
- we determine that you're totally and permanently disabled (as defined in our regulations) and you meet certain additional requirements.

For a discharge based on your death, a family member must provide acceptable documentation of your death.

For a discharge based on total and permanent disability, in some cases we may determine that you qualify for discharge based on information we receive from the Social Security Administration or the Department of Veterans Affairs and then send you a notice with further information on how to have your service obligation discharged. You can also request a discharge based on your total and permanent disability by completing an application that you can obtain from us. Your TEACH Grant servicer can tell you how to obtain this application.

Discharge due to extended active duty military service

We'll grant a proportional discharge of your service obligation if you've received the maximum three-year suspension based on military service as described earlier in this counseling guide, and you're subject to an extended call or order to active duty status as a member of the Armed Forces of the United States. For the purposes of a military service discharge, the Armed Forces means the Army, Navy, Air Force, Marine Corps, the Coast Guard, a reserve component of the Armed Forces named in 10 U.S.C. 10101, or the National Guard. In such cases, you may receive a discharge of

- one of the four years of your service obligation if your call or order to active duty status is for more than three years;
- two of the four years of your service obligation if your call or order to active duty status is for more than four years;
- three of the four years of your service obligation if your call or order to active duty status is for more than five years; and
- all four years of your service obligation if your call or order to active duty status is for more than six years.

To apply for a discharge based on military service, you or your personal representative must submit a discharge request to your TEACH Grant servicer on a form that is available from the servicer.

Example: Extended military service discharge

You request and receive three separate one-year suspensions of the period for completing your service obligation due to your qualifying active duty military service. You haven't yet completed any qualifying teaching service. You're then subject to an extended call to active duty for one additional year. You've used up your maximum three years of eligibility for suspension based on military service, but you can request and receive a discharge of one year of your service obligation based on your extended call to active duty for a period of more than three years. You must now complete only three years of qualifying teaching service to satisfy your service obligation.

What will cause my TEACH Grants to be converted to loans?

Your TEACH Grants will be converted to Direct Unsubsidized Loans that you must repay in full to the Department (with interest charged from the date of each TEACH Grant disbursement) if

- you ask us to convert your TEACH Grant to a loan because you've decided not to teach, or you've decided not to teach in a low-income school or in a high-need field, or for any other reason; or
- you don't begin or maintain qualifying teaching within a timeframe that would allow you to complete your required four years of teaching within the eight-year service obligation period.

Example: Conversion due to not having enough time to complete the service obligation

More than six years have passed since the start of your eight-year service obligation period, but you've completed only one year of qualifying teaching service, and you haven't requested or received any temporary suspensions of the service obligation period. Your TEACH Grants will be converted to Direct Unsubsidized Loans, because you now have fewer than three years left in the service obligation period to complete your required three additional years of teaching.

There are other circumstances that might prevent you from completing your TEACH Grant service obligation (other than one of the conditions that would qualify you for a discharge of your service obligation), and therefore could result in conversion of your TEACH Grant to a Direct Unsubsidized Loan. For example, a felony conviction (either in the past or in the future) could prevent you from being employed as a teacher, and you would then be unable to complete your service obligation.

If your TEACH Grants are converted to Direct Unsubsidized Loans, you'll be asked to complete a loan conversion counseling session that we provide. Loan conversion counseling will provide you with important information about the terms and conditions of your Direct Unsubsidized Loan that was converted from a TEACH Grant.

If you don't expect to complete your service obligation...

It's important to remember that if your TEACH Grants are converted to Direct Unsubsidized Loans, you'll be charged interest going back to the date of each TEACH Grant disbursement. If you receive TEACH Grants, but later decide (for any reason) that you no longer intend to satisfy your service obligation, you can avoid further accrual of interest by asking the TEACH Grant servicer to convert your TEACH Grants to loans that you can start repaying immediately, instead of waiting for your grants to be converted because you no longer have enough time to complete your service obligation within the eight-year service obligation period. This can save you a lot of money in interest costs.

TEACH Grants that are converted to Direct Unsubsidized Loans will have the terms and conditions that apply to Direct Unsubsidized Loans under applicable law and regulations, including the terms and conditions described in your Agreement.

If your TEACH Grants are converted to Direct Unsubsidized Loans, you'll receive a six-month grace period that begins on the day after your grants are converted. You aren't required to make loan payments during the grace period, but interest will continue to accrue. The interest rate you're charged will be the interest rate that was in effect for Direct Unsubsidized Loans on the date the TEACH Grant was first disbursed.

At the time your TEACH Grant is converted to a Direct Unsubsidized loan, you'll be given the opportunity to pay the interest that has accrued since your TEACH Grant was disbursed. If you don't pay this interest, it will be capitalized when the loan enters repayment at the end of the six-month grace period. Capitalization is the addition of unpaid interest to the principal balance of a loan. This increases the principal balance of your loan, and interest is then charged on the increased principal balance. Capitalization may increase your monthly payment amount and the total amount you repay over the life of your loan. Your Agreement includes an example that shows the impact of capitalization.

If my grants are converted to loans, what are my repayment options?

If your TEACH Grants are converted to Direct Unsubsidized Loans and you have other Direct Loans that are already in repayment, your new Direct Unsubsidized Loans will be placed on the same repayment plan as your other Direct Loans. Otherwise, you'll be asked to choose a repayment plan. You can change repayment plans at any time.

There are two types of repayment plans for Direct Loans: **traditional repayment plans** and **income-driven repayment plans**. These plans are described briefly on the next two pages. You can find more detailed information about the terms and conditions of the Direct Loan repayment plans in your Agreement.

Traditional repayment plans

Under a traditional repayment plan, your required monthly payment amount is based on the loan amount you owe, the interest rate on your loans, and the length of the repayment period. There are three traditional repayment plans:

Standard Repayment Plan. You'll make fixed monthly payments and repay your loan in full within 10 years (within 10 to 30 years for Direct Consolidation Loans).

Graduated Repayment Plan. Your monthly payments will be lower payments at first and then gradually increase over time. You'll repay your loan in full within 10 years (within 10 to 30 years for Direct Consolidation Loans).

Extended Repayment Plan. To qualify for the Extended Repayment Plan you must have more than \$30,000 in outstanding Direct Loans. Under this plan, you can choose to make fixed monthly payments or payments that start out lower and gradually increase over time, and you'll repay your loan in full within 25 years.

Income-Driven Repayment Plans

Under an income-driven repayment plan your required monthly payment amount is generally based on your income and family size, rather than on how much you owe, the interest rate on your loans, and your repayment period. Changes in your income or family size will result in changes to your monthly payment amount. If you select an income-driven repayment plan, you'll be required to certify your family size and provide documentation of your income each year so that we can recalculate your monthly payment amount. Under an income-driven repayment plan, if you haven't repaid your loan in full by the end of the maximum repayment period, the remaining loan balance will be forgiven. You may have to pay federal income tax on the forgiven loan amount.

Not all of the income-driven repayment plans are available to all Direct Loan borrowers or for all types of Direct Loans. Your Agreement provides more detailed information about eligibility for these plans. There are four income-driven repayment plans:

Revised Pay As You Earn Repayment Plan (REPAYE Plan). Your monthly payment amount will generally be 10% of your discretionary income. If you're married, the income used to determine your monthly payment amount will generally be the combined income of you and your spouse, regardless of whether you file a joint federal income tax return or separate returns. Any outstanding loan balance will be forgiven if you haven't repaid your loan in full after 20 years (if all loans were taken out for undergraduate study) or 25 years (if any loans were taken out for graduate or professional study).

Pay As You Earn Repayment Plan (PAYE Plan). Your monthly payment amount will generally be 10% of your discretionary income, but it will never be more than the Standard Repayment Plan amount. If you're married and file a joint federal income tax return, the income used to

determine your payment amount will be the combined income of you and your spouse. Any outstanding loan balance will be forgiven if you haven't repaid your loan in full after 20 years.

Income-Based Repayment Plan (IBR Plan). Your monthly payment amount will generally be 10% or 15% of your discretionary income (depending on when you received your first loans), but it will never be more than the Standard Repayment Plan amount. If you're married and file a joint federal income tax return, the income used to determine your payment amount will be the combined income of you and your spouse. Any outstanding loan balance will be forgiven if you haven't repaid your loan in full after 20 years or 25 years (depending on when you received your first loans).

Income-Contingent Repayment Plan (ICR Plan). Your monthly payment will be the lesser of 20% of your discretionary income, or the amount you would pay on a repayment plan with a fixed payment over 12 years, adjusted according to your income. If you're married and file a joint federal income tax return, or if you and your spouse choose to jointly repay your Direct Loans under the ICR Plan, the income used to determine your payment amount will be the combined income of you and your spouse. Any outstanding loan balance will be forgiven if you haven't repaid your loan in full after 25 years.

If my grants are converted to loans, how much will I be required to pay each month?

The tables on the pages 22 and 23 provide repayment estimates under the available Direct Loan repayment plans. These figures are estimates based on an interest rate of 5%, the average Direct Loan interest rate for undergraduate and graduate borrowers. Various factors, including your interest rate, your loan debt, your income, and if and how quickly your income rises, may cause your monthly payments to differ from the estimates shown in these tables. You can use our *Loan Simulator* at <https://studentaid.gov/loan-simulator/> to estimate what your monthly and total repayment amounts would be under all of the repayment plans based on your individual circumstances.

For the Standard Repayment Plan and the Graduated Repayment Plan, the estimates are for non-consolidation loans.

For the income-driven repayment plans, the estimates use the 2020 Poverty Guidelines and (for the ICR Plan) the 2020 Income Percentage Factors, and assume a family size of one, that you live in the continental U.S., and that your income will increase 5% each year. The IBR Plan estimates assume that you're a new borrower on or after July 1, 2014.

Table 1. Traditional Repayment Plans

Repayment Plan	Direct Unsubsidized Loan Debt	Initial Payment	Final Payment	Time in Repayment	Total Paid
Standard	\$5,000	\$53	\$53	10 yrs	\$6,364
	\$10,000	\$106	\$106	10 yrs	\$12,728
	\$25,000	\$265	\$265	10 yrs	\$31,820
	\$50,000	\$530	\$530	10 yrs	\$63,639
	\$100,000	\$1,061	\$1,061	10 yrs	\$127,279
Graduated	\$5,000	\$30	\$90	10 yrs	\$6,715
	\$10,000	\$60	\$180	10 yrs	\$13,431
	\$25,000	\$150	\$450	10 yrs	\$33,578
	\$50,000	\$300	\$900	10 yrs	\$67,156
	\$100,000	\$600	\$1,800	10 yrs	\$134,313
Extended-Fixed	\$5,000	Ineligible	N/A	N/A	N/A
	\$10,000	Ineligible	N/A	N/A	N/A
	\$25,000	Ineligible	N/A	N/A	N/A
	\$50,000	\$292	\$292	25 yrs	\$87,689
	\$100,000	\$585	\$585	25 yrs	\$175,377
Extended-Graduated	\$5,000	Ineligible	N/A	N/A	N/A
	\$10,000	Ineligible	N/A	N/A	N/A
	\$25,000	Ineligible	N/A	N/A	N/A
	\$50,000	\$206	\$481	25 yrs	\$95,972
	\$100,000	\$413	\$962	25 yrs	\$191,966

Table 2. Income-Driven Repayment Plans

Repayment Plan	Direct Unsubsidized Loan Debt	Starting Income	Initial Payment	Final Payment	Repayment Period	Total Paid	Loan Forgiveness
REPAYE	\$5,000 (undergrad loans only)	\$25,000	\$49	\$105	7 yrs, 1 mo	\$6,094	\$0
	\$10,000 (undergrad loans only)	\$25,000	\$49	\$162	12 yrs, 5 mos	\$14,316	\$0
	\$25,000 (undergrad loans only)	\$25,000	\$49	\$276	20 yrs	\$34,223	\$12,471
	\$50,000 (undergrad & grad loans)	\$40,000	\$174	\$628	20 yrs, 8 mos	\$89,172	\$0
	\$100,000 (undergrad & grad loans)	\$40,000	\$174	\$793	25 yrs	\$126,332	\$86,136
PAYE & IBR	\$5,000	\$25,000	\$49	\$53	10 yrs, 1 mo	\$6,395	\$0
	\$10,000	\$25,000	\$49	\$106	13 yrs, 9 mos	\$14,497	\$0
	\$25,000	\$25,000	\$49	\$265	20 yrs	\$34,091	\$14,604
	\$50,000	\$40,000	\$174	\$530	20 yrs	\$82,752	\$7,156
	\$100,000	\$40,000	\$174	\$592	20 yrs	\$83,822	\$116,178
ICR	\$5,000	\$25,000	\$30	\$39	20 yrs, 1 mo	\$8,131	\$0
	\$10,000	\$25,000	\$59	\$77	20 yrs, 1 mo	\$16,262	\$0
	\$25,000	\$25,000	\$148	\$193	20 yrs, 1 mo	\$40,665	\$0
	\$50,000	\$40,000	\$381	\$451	14 yrs, 4 mos	\$70,907	\$0
	\$100,000	\$40,000	\$454	\$925	18 yrs, 5 mos	\$163,026	\$0

If my grants are converted to loans, what will happen if I don't make my loan payments?

If you become delinquent in making payments on a Direct Unsubsidized Loan, this could lead to default.

You'll be considered in default on your loan if

- you don't make your monthly loan payments for at least 270 days; or
- you don't comply with other terms of your loan, and we determine that you don't intend to repay your loan.

The consequences of default are serious. If you default:

- We'll require you to immediately repay the full amount of your loan.
- We may sue you, take all or part of your federal and state tax refunds and other federal or state payments as authorized by law, and/or administratively garnish your wages so that your employer is required to send us part of your salary to pay off your loan.
- You'll have to pay reasonable collection fees and costs, plus court costs and attorney fees in addition to the amount of your loan.
- You'll lose eligibility for other federal student financial aid and for assistance under most federal benefit programs.
- You'll lose eligibility for loan deferments, forbearances, and repayment plans.
- We'll report your default to nationwide consumer reporting agencies (credit bureaus). This will harm your credit history and may make it difficult for you to obtain credit cards, home or car loans, or other forms of consumer credit.

If your TEACH Grants are converted to loans and you have trouble making your monthly loan payments on time, contact your loan servicer immediately to discuss other options such as changing to a different repayment plan, or getting a deferment or forbearance that would allow you to temporarily postpone making payments. Refer to your Agreement for more detailed information about deferment and forbearance options.

If my TEACH Grants are converted to loans, can they ever be changed back to grants?

A TEACH Grant that has been converted to a Direct Unsubsidized Loan can be reconverted to a grant only under limited circumstances.

We'll reconvert a loan to a TEACH Grant if we determine (based on documentation that you provide or based on information in our records) that you were satisfying your service obligation, or that your TEACH Grant was converted to a loan in error.

If you previously asked us to convert your TEACH Grant to a loan (because you decided not to teach or for any other reason), we'll reconvert the loan to a TEACH Grant upon your request if you would still have enough time to complete your required four years of teaching within your eight-year service obligation period.

These are the only conditions under which a TEACH Grant that is converted to a Direct Unsubsidized Loan can be reconverted to a grant. Refer to your TEACH Grant Agreement for more detailed information about these conditions.

Useful Resources

Information about your TEACH Grants

Information about the TEACH Grants you have received is reported daily to the Dashboard and Aid Summary pages of your [StudentAid.gov](https://studentaid.gov) account. You can view this information by logging into your account with your username and password (FSA ID) at <https://studentaid.gov/>.

Federal Student Aid Ombudsman

The Department's Federal Student Aid Ombudsman can help resolve problems related to federal student loans (including TEACH Grants that have been converted to Direct Unsubsidized Loans) when other approaches have failed. It's important to keep all of your TEACH Grant papers and correspondence for your records. You should contact your TEACH Grant servicer or loan servicer first to try and resolve the problem. If you're unable to resolve the problem on your own, you may contact the FSA Ombudsman for assistance. You can reach the FSA Ombudsman at:

Office of the Ombudsman
United States Department of Education
830 First Street NE
4th Floor UCP-3/MS 5144
Washington, DC 20201-5144
Toll-free phone: (877) 557-2575
Website: <https://studentaid.gov/feedback-center/>

TEACH Grant servicer

The Department's TEACH Grant servicer is the contractor that works with us to communicate with you regarding your TEACH Grant service obligation, monitor your progress toward completing your service obligation, process requests for temporary suspensions of your service obligation period, and handle other administrative matters related to your service obligation.

It's important to keep your TEACH Grant servicer informed of your current address and other information. Notify your TEACH Grant servicer promptly of any change in your name, address, or telephone number. Also notify your TEACH Grant servicer if your employer's address or phone number changes.

TEACH Grant servicer Address:

FedLoan Servicing
P. O. Box 69184
Harrisburg, PA 17106-9184

TEACH Grant servicer Telephone Numbers:

- 1-800-699-2908
- 1-717-720-1985 (International)

TEACH Grant servicer Website:

<https://myfedloan.org/borrowers/special-programs/teach-grants>